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ABSTRACT

This manual contains information for consumer education, which is defined as the process of imparting to an individual the skills, concepts, knowledges, and insights required to help each person evolve his or her own values, evaluate alternative choices in the marketplace, manage personal resources effectively, and obtain the best buys for his or her expenditures. Guidelines for consumers are presented in 20 chapters: (1) Appliances, (2) Automobiles (including automobile insurance), (3) Clothing, (4) Credit, (5) Education, (6) Funerals, (7) Home Furnishings, (8) Housing, (9) Insurance, (10) Legal, (11) Medical, (12) Medicaid, (13) Medicare, (14) Money Management, (15) Schemes, (16) Selecting and Buying Food, (17) Shopping, (18) Social Security, (19) Wages (including unemployment compensation), (20) Welfare (including the food stamp program). Appendixes list state and local resource information, federal sources of consumer information and complaints, other agencies for information and complaints, and local consumer agencies for information, complaints, and legal services. Addresses in each appendix are listed under topical headings (e.g. family counseling, handicapped, nursing homes), and a topical index is provided for the manual as a whole. (WL)

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CONSUMER EDUCATION REFERENCE MANUAL

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State Agency for Title I
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The University of Tennessee
Knoxville, Tennessee 37916

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Participating Institutions:

East Tennessee State University
Memphis State University
Motlow State Community College
Tennessee State University
Tennessee Technological University
The University of Tennessee at Chattanooga
The University of Tennessee, Knoxville
The University of Tennessee at Martin
The University of Tennessee Environment Center

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TENNESSEE STATEWIDE CONSUMER EDUCATION PROGRAM

Mrs. Virginia H. Knauer, Special Assistant to the President for Consumer Affairs, has defined consumer education as "the process of imparting to an individual the skills, concepts, knowledge, and insights required to help each person evolve his or her own values, evaluate alternative choices in the marketplace, manage personal resources effectively, and obtain the best buys for his or her expenditures. In addition, consumer education must help people understand the rights and responsibilities of an informed consumer in the free enterprise system."

During the fall of 1971 the State Agency for Title I joined with interested institutions of higher education, government agencies, and community groups to develop a program that would meet the consumer education needs of Tennesseans. The Tennessee Statewide Consumer Education Program has been partially supported by federal funds under HEA Title I from January 1972 through December 1976. Initial program activities were directed to those who work with the low-income consumer--human service counselors, community action aides, VISTA volunteers and others. Activities were then expanded to provide inservice workshops and consumer education curriculum development courses for teachers in selected public school systems in an effort to integrate consumer education into the existing school curriculum. Other activities have provided information and materials directly to senior citizens, residents of public housing projects, Head Start parents and staff, and the general public. A mass media component provides consumer releases to newspapers and radio and television stations, and also publishes a monthly newsletter--The TENNESSEE CONSUMER--for previous participants in project activities and others who request it.

The Tennessee Statewide Consumer Education Program is a cooperative effort involving the following institutions of higher education and State agencies: East Tennessee State University, Memphis State University, Motlow State Community

College, Tennessee State University, Tennessee Technological University, The University of Tennessee at Chattanooga, The University of Tennessee, Knoxville, The University of Tennessee at Martin, The University of Tennessee Environment Center, the State Agency for Title I (HEA 1965), the State Department of Education, the State Department of Public Health, the State Department of Human Services, the Tennessee Community Services Administration, the Tennessee Energy Office, and the State Division of Consumer Affairs.

The program has been developed by the Tennessee Statewide Consumer Education Planning Council, consisting of project directors from participating institutions and representatives of government agencies. The current membership is:

Chairperson: Mr. Bill Radcliff, The University of Tennessee, Knoxville

Vice Chairperson: Mrs. Martha Overall, Motlow State Community College

Mr. Daniel Russo, East Tennessee State University

Dr. Lloyd Brooks, Memphis State University

Dr. Lillian Chaney, Memphis State University

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Dr. John Gibbons, The University of Tennessee Environment Center

Mr. Paul Martin, State Agency for Title I

Ms. Cresa Bailey, Tennessee Community Services Administration

Mrs. Ann Eaden, Tennessee Division of Consumer Affairs

HONORS

The Tennessee Statewide Consumer Education Program has been cited by the U. S. Office of Education as a model for statewide programming under Title I of the Higher Education Act of 1965. It has also been recognized by the HEW Office of Consumer Affairs as one of the most comprehensive consumer education programs in the country.

The Tennessee Statewide Consumer Education Program was selected as one of only 200 community service projects across the country to be included in the "Horizons on Display" Bicentennial program. Selection was made by the U. S. Department of Housing and Urban Development and the American Revolution Bicentennial Administration.

"Horizons on Display" is a major national program, highlighting for others those community achievements that represent successful, on-going efforts to deal with community needs. "Horizons on Display" will open a dialogue among communities and will provide a forum for information exchange among citizens, private organizations and all levels of government. This tribute to community achievement should remind us that our mutual goal is to improve the quality of life for all Americans. The Horizons theme recognizes that the process of community problem solving remains a powerful force for positive growth and change in America today.

Any persons or groups interested in additional information concerning the Tennessee Statewide Consumer Education Program may contact the State Agency for Title I or the participating institution in their area.

ACKNOWLEDGEMENTS

The material in this reference manual has come from several sources. This material was initially adapted in 1972 from a similar document developed by the:

Georgia Consumer Services Program
Department of Family and Children Services
15 Peachtree Street, N. E.
Atlanta, Georgia 30303

This manual has been revised several times since 1972 and an extensive revision was undertaken by the State Agency for Title I in the spring and summer of 1976. In addition to the assistance of members of the Planning Council in reviewing and revising this material, we want to thank the following individuals for their specific contributions.

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The time-consuming task of incorporating all of these revisions in the various sections was performed by Mr. Max Brown, a graduate assistant in education

involved in the project segments conducted by The University of Tennessee, Knoxville.

The various sections of the manuscript were typed by Mrs. Sherrie Bennett, Mr. Scott Ellis, and Mrs. Barbara Reeves. Karen Abbott, Deborah Kirkpatrick, and Connie Thompson voluntarily devoted several days to proofing the manuscript. Mrs. Barbara Reeves made the necessary corrections and organized the final manuscript for the printers. Mrs. Joan Seamens and her staff in the Graphic Arts Service, The University of Tennessee, Knoxville, were responsible for printing this manual.

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APPLIANCES

HOW TO PAY THE LEAST AND GET THE MOST FROM YOUR APPLIANCES

General Introduction - In buying a new appliance you should inquire carefully about its efficiency rating. But remember the size of an appliance doesn't necessarily give you any idea of how much energy it uses. For instance, in the same amount of running time, a sandwich grill will use more energy than three ordinary refrigerators.

There are two new concepts in the energy-appliance connection that you should follow when buying a new appliance. The first is ENERGY EFFICIENCY RATIO (EER).

The EER is calculated in this way for a room air conditioner:

$$\text{EER} = \frac{\text{COOLING CAPACITY (IN BTU PER HOUR)}}{\text{WATTS OF POWER REQUIRED}}$$

An example would be a 14,000 BTU per hour room air conditioner unit which requires 1,380 watts of power. 10.1 - EER

An EER of 10 or above is considered highly efficient, 8-10, good, 6-8 average, and below 6, poor. Thus, the unit above, with its 10.1 EER would be an excellent buy from an efficiency standpoint. Of course, whether or not it is a good buy will also depend on the price. Eventually there will be a law requiring all manufacturers of major appliances to give the EER on all their goods. At the present time you can find the EER listed only on room air conditioning units, but legislation is pending in Congress which will require energy-efficiency labels not only on appliances but also on automobiles. The standards of measurement will be set from tests conducted by engineers in the U.S. Department of Commerce.

The second phase that has come to the fore is LIFE TIME COSTS. An appliance's life time costs must be taken into consideration at the point of purchase. Why? Because "hidden costs" (such as service and electricity) can equal or exceed the purchase price of an appliance over its lifespan. This notion has been substantiated in a report recently released by MIT investigators.

HOW TO BUY

Shop around.

. . . . Compare prices and credit terms of several stores.

. . . . Know the total cost of the appliance including interest, carrying charges, and the cost of installing the appliance before closing the deal.

. . . . Compare energy efficiency and operating costs.

Consider time.

. . . . Appliances come in yearly models.

. . . . Appliances may be reduced when the New Year models come in.

. . . . New models are put on the market in August and September.

. . . . The past year's model and display models should have the same standard guarantee as a new model.

Get operational instructions.

. . . . Get an instruction booklet when buying an appliance and read it carefully.

. . . . Have the operation of an appliance demonstrated by the dealer.

Check wiring.

. . . . Be sure that a new appliance is compatible with the existing wiring and construction of your dwelling.

. . . . Check how many volts and amps the appliance takes.

. . . . Most homes are wired for 115 volts. Some air conditioners and dryers take more. Even if the appliance works on 115 volts but takes a lot of amps, say 10 or more, you may need new wiring.

. . . . Complete rewiring can cost hundreds of dollars.

Check doors and halls.

. . . . Be sure that the appliance you want will fit through your doors and hallways.

Check installation charges.

. . . . You may have to pay extra to get the appliance put in and hooked up. Charges may run from $5 to $50.

Check leases.

. . . . A lease may have special conditions about what appliances you can and cannot have in your home. Check with your landlord before you have any special wiring or pipes put in. He must give his O K in writing.

Measure for space for new appliances.

Check prices.

. . . . Look in the household goods want ad section of your newspaper. Many people who are moving out of town do not want to take appliances along, so you might find a real value. Remember to think about getting it delivered before making an agreement with anyone. It would also be good to find out if the warranty is still in effect and how old it is.

Decorative colors.

. . . . Remember that decorative colors and designs cost more in each appliance line, usually around $5 or more.

Where to buy.

. . . . A franchised dealer is officially authorized by the manufacturer to sell his products. The manufacturer pays for part of the dealer's advertising.

. . . . Discount stores are able to buy in large quantities, therefore at lower prices. Frequently, they sell at lower prices than other stores. This, however, is not always the case. Compare prices with other stores. Be sure that the discount store gives the same guarantee as a franchise dealer. Some discount stores do not offer repair service.

SEALS AND STANDARDS

Some major appliances are tagged or marked to show that they are safe, or that they have met the requirements of a testing organization. You'll find The Underwriters Laboratories, Inc. seal attached to the cord of some electric appliances, or you may find it imprinted on the metal. It means that the machine has been tested for fire and electric safety.

The Blue Star Seal is found on gas equipment that has met the requirements of The American Standards Association, Inc. It means the appliance has been tested for performance, safety, and durability.

The Parents Magazine Seal shows that the product has been tested and that the tester found that it works the way the manufacturer claims it will.

The Good Housekeeping Seal is a seal of approval and guarantees that if a product doesn't work as advertised, you can get a new one or your money back from Good Housekeeping Magazine. This is the only use seal that works this way.

The American Gas Association's Gold Star Seal means that this particular gas appliance is safe. Other seals include ASA (Approved by the American Standards Assoication) and NEMA (Approved by the National Electrical Manufacturer's Association).

GUARANTEES

A guarantee states that if an appliance has certain defects during a designated period of time, the manufacturer will be responsible for repairing or replacing it within a "reasonable" time, or refunding money.

A guarantee may require that the product be repaired at certain authorized stores.

. . . . Know the limitations of a guarantee. Is it full or limited? Read it thoroughly or ask the salesman to go over it with you.

. . . . Ask the salesman to verify the claims of the guarantee, such as lifetime guarantee, satisfaction or your money back.

. . . . Be sure to fill in the warranty and return to the company promptly so that it will be on file in case the article goes bad.

. . . . The best way to assure yourself of a good guarantee is to have one in writing.

. . . . Know the length of time the guarantee is good before accepting it.

. . . . Find out what the guarantee covers, whether parts only, labor only, or parts and labor. Remember a part may only cost $5 while the labor costs $15. Who pays transportation cost?

. . . . Note whether the service guarantee has an outlet near your home city.

. . . . Keep your copy of the guarantee in a safe place with other important papers, such as insurance policies and sales slips.

PURCHASING SPECIFIC APPLIANCES

RANGES

A new range can be expected to last about 16 years.

Gas or electricity? Stick with what you have. It is usually much cheaper and easier this way. To switch, you may need to have new electrical wiring or a new gas line put in

Advantages of gas ranges. In some areas, gas ranges are cheaper to operate. Gas burners heat up and cool down faster than electric ones.

Advantages of electric ranges. Electric ranges may be easier to clean. Electric ovens do not make the kitchen as hot as a gas oven does. The broiler in an electric range is faster and heats more evenly. It is easier to reach.

TYPES OF RANGES

Small ranges--These are about 20 inches wide or less with one small oven.

Standard ranges--These are 30 inches to 36 inches wide. Most have four burners on top. They have more work space on top. They have larger ovens. They may have separate space for pots and pans.

Double oven ranges--This type of stove is larger all over and has more work space on top. The ovens can be side by side or top and bottom.

FEATURES

You pay more for these features which are the extra things that come on appliances. You can get them in gas or electric ranges.

Automatic oven cleaners--Cleans by heating up to a very high temperature. They are safe and easy to run. They cost about $70 extra.

Glass oven door--They may cost $5 or $10 extra.

Ventilation hood--These metal hoods fit over the stove and have a fan inside. They clear up heat and odors and collect food grease from cooking. Good for kitchens without windows. They cost $25 or more.

REFRIGERATORS

A new refrigerator can be expected to last about 16 years.

TYPES OF REFRIGERATORS

Standard refrigerator--It has a single front door; freezer, inside.

Refrigerator-freezer--It has a separate freezer. Usually the freezer has its own outside door. Example:

1. Freezer on top: Usually the cheapest.
2. Freezer on the bottom: Usually more expensive.
3. Side by side: Usually larger than other refrigerator styles and more expensive.

The temperature inside your refrigerator should be 38-40°; in the freezer, 0-5°.

WHAT TO LOOK FOR IN BUYING A REFRIGERATOR

Count shelves; are they adjustable?

See how wide and deep they are.

See if there are extra shelves or racks on the door and if there are any vegetable trays.

See how much space would be left over after you put ice trays in. Check for a tight seal on the door.

FEATURES

Frost-free--Refrigerators may come with freezers that never need defrosting. They cost more and use much more electricity.

Adjustable shelves--These shelves move up and down. They can also move in and out. They cost a few dollars extra.

Ice Makers--These keep an ice container full of loose cubes. This extra feature requires a plumbing connection to work, and it is an extra cost.

FREEZERS

A new freezer can be expected to last about 15 years. The operation is more efficient if the freezer is 75-100% filled. If you buy from a farmers market in

quantity or if you grow your own vegetables, then it would be a savings to you. A freezer needs frequent defrosting to operate efficiently.

TYPES OF FREEZERS

Upright occupies less floor space but requires additional space for door clearance. Its shelving may help you get at food more easily than a chest type model. Cold air tends to spill out of an upright, allowing frost to collect faster and foods to warm up a bit more than in a chest type.

A chest type holds more food than an upright model of similar capacity and is usually less expensive.

A frost free model is more expensive. It uses more electricity. During the action of a frost free feature, temperatures in the freezer rise. This shortens the food's storage time slightly.

BEWARE FREEZER FOOD PLANS

Most food plans are trying to sell the freezer and the food variety is limited.

CLOTHES WASHERS AND DRYERS

A new washer can be expected to last about 11 years. If you've never had a washer in your home before, you may need special plumbing. This could cost you $30 or more.

TYPES OF WASHERS

Washers are measured by how much dry wash they hold.

Small washers--5 pound capacity.

Standard size washer--12 pound to 16 pound capacity loads. With most machines, you get better washing results with your wash loads that are slightly under the capacity loads. To protect a machine from excessive wear, balance the wash load and the machine itself.

FEATURES

Automatic control--Controls are set and the unit washes through the entire cycle.

Extra cycles--Some machines have presoak, rinse, and spin cycles to give a better wash. The machine with the most cycles can cost considerably more.

Water temperature controls--All automatic washers have this feature and most have a water level setting. Cold water cycles can save money when used.

Speeds on most machines--There are two or more speeds. This feature allows you to adjust the speed of the washer for the type of fabric you are washing.

Suds-saver--This optional feature involves using dirty water to conserve hot water. Consumer Reports advises against this feature.

CLOTHES DRYERS

Dryers may be gas or electrically operated. Gas dryers are usually less expensive to run per dryer load than electrical ones.

Most electric clothes dryers operate only on 225 volt outlets.

Many clothes dryers come in more than one model. As with any appliance, extra features will accelerate the cost considerably. The cheaper models may not have an automatic dryness control. Operations can work very well without this feature if money is of concern to the buyer.

A "no-heat air-fluff" cycle for permanent pressed fabrics is desirable.

Regular cleaning of the lint filter is a must.

Venting of the dryer prevents moisture damage inside your house.

WATER HEATERS

TYPES OF WATER HEATERS

Gas and electric heaters are available. Gas heaters are usually more efficient, but don't consider buying one unless you already have gas service. Solar heaters are not yet cheap or dependable enough for general residential use in Tennessee.

FEATURES

All water heaters should have a pressure-actuated safety valve to prevent explosion in case the thermostat fails.

Buy a heater with plenty of insulation - at least 4 inches. Otherwise, you'll pay a lot more for operation.

ADVICE

Insulate the hot water line wherever you can after it leaves the heater. You'll save energy and water.

AIR CONDITIONERS

TYPES OF AIR CONDITIONERS

Air conditioners come in many sizes - from very small one-room "window" units to those that cool whole buildings.

FEATURES

Thermostatic control on compressor--Some units don't have a thermostat. It definitely pays in comfort and operating cost to have one.

High and low "speeds"--This is a frill. Air conditioners are most efficient using high speed only.

Energy efficiency ratio (EER)--This is probably the most important factor because the efficiency (BTU's of cooling per unit electricity consumed) of various models varies widely. Generally speaking, a unit with an EER less than 8 may have a slightly lower purchase price but cost more in the long run due to higher operating cost. Try to find one with an EER above 8 (some come as high as 12).

ADVICE

Make sure that service and repairs are locally available.

Check the warranty!

TELEVISION

PORTABLE OR CONSOLE?

A portable TV is one that has a carrying handle even if it is rather heavy to carry.

You can move a portable around the house. A console is stationary.

You can take a portable TV to the repair shop yourself which may save you a service charge.

PICTURE

Does the set give a clear, sharp picture, crip and in focus?

The lines across the lighted picture tube should be sharp and the same distance apart.

You should be able to see small details in the picture.

You must be farther away from a larger picture tube than a small one to see it well.

COLOR TV

Color TV sets cost more than black and white sets.

A portable color TV may cost as much as a cabinet model black and white.

Color TV costs more to repair.

Color TV costs more to operate as technical costs are 25 to 50% higher.

Color sets need servicing more frequently than black and white sets.

A color TV picture tube may cost $150 to replace compared to $50 for the same size black and white one.

Color TV sets will cost less and be more improved in the near future.

Solid state is preferable to tube type sets.

WHAT TO LOOK FOR WHEN BUYING A TV

Old model TV sets are sold at a discount in the spring.

Know what type of antenna your new set will require--built-in, rabbit ears or roof antenna.

Most TV receivers are covered by a 90-day warranty which includes free parts and labor for the period.

Tubes, other than the picture tube, are covered for a one-year period.

Most picture tubes are covered by a two-year warranty.

VACUUM CLEANERS

A new tank type vacuum cleaner can be expected to last about 15 years.

A new upright vacuum cleaner can be expected to last about 18 years.

Uprights are generally considered more efficient types than tanks for cleaning rugs--especially rugs with heavy pile.

The new electric-broom, which is manufactured by most of the large manufacturers, is very economical for general cleaning as it is very light weight, easy to store, does not require use of a bag, costs approximately $19 to $29 new, and cleans both bare floors and rugs of different depth pile simply by adjusting the dial. The weight, approximately 7 pounds, makes it easy to clean stairs, as well as draperies and upholstery. It can be stored by hanging on a nail in a closet and will be easily available when needed. It must be emptied often as the container for the dust is comparatively small.

The advantages of the tank type is that it cleans under furniture easily and it does not have to be emptied as often as the electric-broom. The tank type is much heavier; so if you have to take it up and down stairs, the lighter model might be better for you.

Check prices when buying a vacuum to see if you are paying extra for the accessories--be sure they are going to help you when you are cleaning and not just take up space in the closet. Such extras as a light on the vacuum cleaner could cost extra and won't help clean your house any better.

Have the salesman demonstrate each of the different machines as well as all accessories for each--then compare these machines for your needs.

There are certain factory rebuilt vacuums which are quite good, but be sure to buy only from a factory authorized dealer. They give a one-year guarantee on parts and labor.

SEWING MACHINES

A new electric sewing machine can be expected to last about 24 years.

Anyone who has ever done any sewing knows that it can save a tremendous amount of money. Not only can you save money on clothes, curtains, slipcovers, linens, and numerous other necessities, but you can usually find materials that

will be more durable, easier to care for and suit your taste more than goods purchased already made.

It is also good to note that quite a few sewing machine dealers offer a free sewing course with the purchase of a machine. This can be of unlimited value when you begin to sew.

The predicted life for a sewing machine is 2[illegible] years and it might last a lifetime for a person who does a normal amount of sewing, so spend more time selecting the model which will fulfill your family's needs.

Price range for a sewing machine would be from $40 (mail order house price) to over $450 (for one that does a lot of fancy work). Cost also depends on the type of cabinet you select. It would be good to consider the room a sewing machine takes up and think in terms of a portable which could be stored in a closet and set up on a desk or the kitchen table. However, if you are considering a machine with a cabinet, it can also be used as a nice end table and enhance the beauty of your home.

The advantage of having a sewing machine in a cabinet is that if the space is available you do not have to keep lifting it up from the closet and putting it away.

Try to select a brand that is known and be sure service, parts, and a guarantee are available before buying one. If no lessons are given with the price of the machine, be sure you have the salesman show you how to operate it and how to use the various attachments.

The advantage of getting a well-known brand versus a foreign made madel is that if you move to another part of the country where the lesser known machine does not have an outlet, you may not be able to get your machine serviced. Some people have given up and traded in their foreign made machines because of lack of available parts and service. It would be wise to check this out before purchasing a machine. It might save taking a loss later.

APPLIANCE REPAIRS

To avoid costly repairs try to do these things first:

Deal with a company who has been tested by your friends and neighbors. Before buying an appliance try to be sure you are getting the best care for the money. When possible buy name brands that offer you a written guarantee. If you have done these things and something goes wrong with your appliance, here is what we recommend:

First check to see that a fuse has not blown and that the appliance is plugged in. If these things are OK, and you still cannot get the appliance to work, then proceed to ask your friends if they can recommend a good repair man. If the appliance is small, take it to the shop as most repair services charge a service call fee when they come to the house. In the case of television, it can be quite costly to have a service man come to the house.

If you have a warranty (guarantee) read it! Is your appliance still covered? Does it tell you who to call? Maybe the repair won't cost you anything.

If your store can't help you, call a factory authorized serviceman. He is listed in the yellow pages of the phone book. Look under "washers" or "refrigerators" or whatever. Make sure it is for the right brand of appliance.

Do not call the local "all purpose repair man". He will probably charge you more--and take longer to fix it. Few repairmen really know more than one or two brands well. Distrust the advertisement that says "We service all brands." The factory authorized salesman will probably guarantee the new parts. The local man probably won't.

Find out about service charges--Will he charge you just to come to your home? Maybe someone else will charge less. But watch out for "free" or $1 service operators. Most honest service men do charge a nominal amount for a call. Eight dollars to nine dollars is a nominal amount. ($6 or $7 is reasonable to install a washer).

Don't let the repairman take the appliance away without a written promise to put it back together and to bring it back free if you don't okay the repair, or if he can't fix it. You can be the victim of a vicious racket, if you do not have this promise in writing.

Before the repairman begins--Get an estimate in writing. You may decide the job is not worth it, especially if your appliance is old. If you want to replace it instead, decide now, not after the repair is done.

A complete shop overhaul for a washer should cost you less than $45, plus pickup and return. For a refrigerator, it should cost you less the $38 (if there is no need for a new evaporator or condenser).

Ask for an itemized bill. All parts and labor should be on it. And ask the repairman to show you the new parts. Make sure you really got them. Ask to see the old parts too.

Are the new parts guaranteed? You should get a copy of the guarantee. If you have more trouble with your appliance, call the same repairman. Maybe his job wasn't good. He should make it good. Modern appliances are very complicated. You can't know all about them. So you must protect yourself!

KNOW. . . . Who your repairman is--

What he is doing to your appliance--

What you are paying for--

How much you will have to pay--

What the guarantee is--

Does repairman guarantee his labor?--how long?--

SOURCES FOR INFORMATION AND COMPLAINTS

(See Appendix - Federal and Local Sources of . . .)

AUTOMOBILES

What to be Aware of Before and After You Buy a Car

The average price of a gallon of gasoline has increased considerably in the last few months. From all current indications, the cost and availability may continue to be a source of concern. However, even at a current price of around 50-60 cents a gallon, it is probable that the average consumer will shell out close to $500 in annual costs alone! When you add other operating expenses: tires, oil, normal maintenance, etc. you're talking about a sizeable sum of money.

What You Should Know When Buying a Car

1. You have heard this by now, but it's worth repeating: BUY A SMALL CAR. Lighter vehicles get better mileage. As car weight increases from 2000 to 3000 pounds, performance drops from the average 24.4 miles per gallon to 15.3, losing about one mile per gallon for every 100 extra pounds.
2. Don't buy a car with factory air. But make sure your car has outside air vents. This step will give you anywhere from a 10-20% mileage increase.
3. Purchase radial tires if possible - they will cut down on your gas expenditures. Although they cost more, they give less "rollover resistance."
4. Buy a car with a standard shift if possible. This is an "old time gas saver."
5. Avoid options that add to complexity and choose instead for durability. It is possible to load the new car you buy with optional equipment to the point that you will nearly double its cost to you. Don't do it!
6. The best time to buy a car is when your present one starts costing you more for repairs and gasoline than a new or newer one would.

7. Pick the right time to buy. Some of the best times are toward the end of the month when salesmen and dealers are anxious to meet their quota or just before the next year's models appear on the market.
8. Don't think in terms of horsepower, but in terms of number of cylinders--the fewer cylinders, the lower the original cost, the greater the gasoline mileage and the lower the maintenance.
9. Go to several dealers in shopping for the best price. There are publications which give accurate information on dealer costs for the basic car and accessories. This type of information will permit you to offer the dealers a fair price over their list cost. Some dealers will sell cars for less in order to sell a larger volume of cars.
10. Proper maintenance of your car is necessary for efficiency, economy and to increase the life of your car. If you are mechanically inclined, the purchase of a shop manual from your dealer will permit you to make repairs.

Easy Ways to Cut Your Transportation Costs

See that your car's engine is properly tuned - check the ignition system particularly well. A poorly tuned engine can waste up to 15% gasoline.

Maintain as high a tire pressure as specified for your car. This will decrease friction and improve mileage, saving as much as 50 gallons of gas per year. Also, radial tires will cut down on gas expenditures - they pay for themselves in usage alone!

You may have heard about some mechanical alterations to improve gas consumption. BEWARE! They may be illegal, dangerous, and very costly in the long run. Consult your car dealer for facts.

Keep your car's weight to a minimum. Routinely carrying around chains, sandbags, outboard engines, sports equipment, etc. cuts down on gas mileage. Also, remove luggage and ski racks when not in use.

Rather than warming up your engine by idling it at length, begin driving immediately at slow speed.

If you have standard shift, save gas by getting into high gear as soon as possible. In second, you may use 25% more gas than in third at the same road speed.

Don't ride the brake! Even light pressure makes your engine work harder and wastes gasoline in addition to causing extra wear and tear. Use your brake pedal, not your accelerator, to "hold" your car steady on a steep hill.

Erratic driving habits are very expensive. Steady is the word - accelerate slowly; try to anticipate slow downs and stops.

Plan ahead - cut down on gas by combining necessary errands into one trip.

Travel during off-peak traffic times - use routes with as few traffic lights and stop signs as possible.

Even a small car costs at least 8¢ a mile to operate, so it makes sense to drive as little as possible - use public transportation and participate in car pools whenever you can.

Never carry extra gas in your car unless you expect an urgent need for it - and then carry it only in approved cans, strapped securely to the outside of the car. Otherwise you may be sitting inside a fire bomb.

Gasoline is poisonous!! Don't ever try to siphon gas unless you know what you're doing - even the cheapest hospital bill is likely to be worth more than 50 gallons of gas!

Buying a Used Car

*Best buy -- Usually a used car from two to four years old. Major depreciation has already occurred and major repair problems are not due to set in for some time.

*When purchasing a used car, avoid such fancy accessories as power windows, seat, and brakes. They are usually not worth the high cost or repair.

*Best choice of a dealer would be an authorized new car dealer. Avoid a dealer who tries to sell you a higher priced car than you can afford. Make the largest down payment possible. *If you have to borrow money* to make the down payment, it is probably not the time to buy a car. Check out dealer with the Better Business Bureau.

*Shop around to get the best possible rate of interest if you plan to finance the car.

*If possible have a written guarantee and understand what it says. Ask agent to explain.

*Do not drive the car until you have all the papers on it nor until it is covered by insurance.

*Be cautious of claims that offer "repossessed" cars at bargain prices.

*Walk away from a salesman who says, "This is the hottest car on the lot", or "Grab it while the grabbing's good," or "There are three couples waiting for it already."

*Avoid a salesman who does not want you to make a thorough investigation of car, or refuses to let you test drive the car, or makes light of the flaws you show him on the car. Stay away from a car that has been repainted. It could have been wrecked.

*Check to see that doors, windows, trunk, and other workable parts open and shut easily.

*Check tires to see how much tread is left.

*Road test the car and check out all the functions.

REMEMBER:

Only use the check list when you see a car you like.

Check the car carefully step by step.

You have a right to use your checklist. If the owner won't let you use it, don't buy the car from him.

If you find some really big things wrong with the car right away, go on to another car. This one isn't worth your time.

Be sure to test drive the car before you buy it.

If the car owner says you cannot take it for a test drive, here are some things you can do:

Ask him to come along.

Ask if he'll let your mechanic test drive it.

Ask him how you can get a test drive.

If he still won't let you test drive the car, <u>don't buy it</u>.

If you are buying from a dealer and he lets you take the car off the lot to test drive it, he may ask you to sign a paper. Do not sign until you have read that paper very carefully. It may be OK if it just says that you are responsible for the car while you have it off the lot. But it may be a "trick" agreement to buy!

On the test drive, keep the car on the road long enough for it to warm up (around 20 minutes). Drive it under as many conditions as you can: In traffic, up and down hills, on a highway where you can get up some speed.

When you have checked out a car and think you want to buy it, have a mechanic look it over.

Mechanics cost money. (usually from $5 to $25--average $15)

Find out how much the mechanic charges before he looks at the car.

If the owner won't let you take the car to a mechanic, bring the mechanic to the car.

If the owner won't agree to a mechanic, DON'T BUY!

USED CAR CHECKLIST

Be sure to do the following:

..Try the starter several times. It shouldn't whine, nor should the carburetor flood.

..Have someone gun the motor while you watch the exhaust. White exhaust smoke is normal; black smoke may mean a badly worn engine.

..Test the brakes while driving the car slowly around the lot. If they feel spongy or cause the car to swerve, stop and let the salesman put the car back in place; it may be too dangerous to drive.

..Run the car in all gears. An automatic transmission should shift without lurching or laboring. A manual transmission should not chatter, jerk or stick.

..Accelerate hard. The access road to a freeway is a good test run. If the engine can't get the car to highway speeds quickly without laboring, the engine may need an overhaul.

..Wet the tires well with a hose. Drive the car straight for a short distance and get out and examine the tracks. If the tracks show four lines instead of just two, the frame of the car may have been bent in an accident.

..Drive down a small hill with your foot off the accelerator, then tromp the pedal hard and watch the exhaust smoke. Heavy blue or black clouds are ominous signs of engine trouble to come.

..Back at the lot, park the car on a smooth, clean concrete surface and let it idle while you talk over its performance with the salesman. After five minutes, move it and study the spot it was in for any drips of gas or oil. Red oil indicates leaking transmission fluid, black drips are usually from engine oil leaks. Gas drips evaporate but leave a brownish stain. Leaks are signs of costly trouble; gas leaks are dangerous.

TO UPDATE THE FIGURES GIVEN BELOW AS ESTIMATES FOR REPAIR,
ADD AT LEAST 50% INCREASE FOR PARTS AND LABOR.

Used Car Checklist

While you walk around the car:

Check the body

Dents--If small, $10 to $35 each (Average $20)--if big, $45 to $85 each (Average $65).

Flaking paint, rust spots (Check bottom edge of doors, trunk, fenders, chrome, trim)--To touch up paint, $15 to $50 (Average $35)--New paint job, $35 to $150 (Average $100)--But watch out: Metal may be eaten away.

Broken windows--$10 to $35 each (Average $20)

Windshield broken or has deep wiper scratches--$60 to $90 for new windshield (Average $75).

Bad fit on doors, windows, hood, trunk (Open and shut to see)--$10 to $20 to fix each fitting (Average $15)--But watch out: Car may have been in crash.

Check tires, wheels, shocks, and springs

Body leans to one side--$20 to $75 to fix or replace bad springs (Average $50)--But watch out: Car may have been in crash.

Tires worn down (Check all wheels and spare)--Average $20 per tire to replace.

Uneven wear on tires--May mean wheels out of line or steering problems--$10 to $100 (Average $55) to fix--if tires also need to be replaced, average $20 each.

Front wheels lean in or out--$15 to $80 (Average $50) to fix.

Front wheels have lots of free play (Hold a front wheel at top. Shake hard, in and out. If very bad, you may hear clunking sounds.)--$20 to $100 (Average $60) to fix.

Car rocks too much (Push on fender, up and down, to rock car. Do this for each fender. When you stop, car should rock up and down just once.)--$15 to $25 (Average $20) a pair for new shock absorbers.

Check under the hood (Do these checks now and later, when motor is idling.)

Engine block cracked or welded--Needs motor job--bad buy.

Oil leaking or in thick puddles--Watch out: May need motor job--probably bad buy.

Radiator water is rusty or oily--Cooling system may need repairs--Cost $10 to $60 (Average $35)

Dipstick shows heavy oil, or smells of gas (Clean dipstick. Push all the way in. Then pull out to see.)--If smell of gas, probably broken fuel pump--$10 to $25 (Average $15) to fix--It could be other things, too--Check with mechanic--If heavy oil, watch out: It's been used to quiet a bad engine--Probably a bad buy.

In driver's seat with motor off

Brake pedal goes down almost to floor (Push down steadily)--May only need brake fluid--or may need work on different parts of the brake system or on brake linings--$5 to $90 to fix this kind of trouble.

Brake pedal sinks slowly, instead of catching (Push down steadily for a minute or so)--Trouble somewhere in brake system--$10 to $60 (Average $35) to fix this kind of brake trouble.

Steering wheel has lots of free play (point wheels straight ahead. Then turn steering wheel back and forth. It should have no more than 2 inches of free play, before tires turn.) Can cost $5 to $100 to fix, but probably $10 to $25 (Average $20).

With car in neutral, motor idling

Car hard to start (try with cold engine)--May be switch, starter, battery, valves--Check with mechanic.

Engine noises (Let car idle. Then gun motor 2 or 3 times. Try with cold and hot engine. Listen to see if motor sounds uneven, or knocks or pings.) --Watch out: Can mean expensive engine repairs--Check with mechanic.

Red light on oil pressure (Should go off when motor idles)--May be clogged oil lines or oil pump, or trouble in crankshaft--Check with mechanic

Red light on generator, or needle points to "discharge" (To test, turn headlights on first. Then step lightly on gas. By now light should be off-not flickering on and off. Or if needle, it should point to "charge".)--$20 to $50 (Average $35) to fix generator and/or voltage regulator.

Clutch (in stick-shift car) has too much free play (Push down by hand. It should not have more than 2 inches of free play.)--$30 to $80 (Average $55) to fix.

Clutch slips (Shift to high. Put brakes on. Let clutch out slowly. Car should stall. It should not jerk or grab.)--$50 to $90 to fix (Average $70.)

With motor idling, check lights, horn, and so on (To fix any one of these may cost anything from a few cents to $10 or more. In general, figure an average of $5 each.)

Parking lights

Headlights, dim

Headlights, bright

Turn signals (left and right, front and back)--Should flash.

Tail lights

Brake lights

Back-up lights (if any)

Fog lights (if any)

Horn

Windshield wipers

Windshield wiper jets (if any)

Cigarette lighter (if any)

Radio (if any)--Hard to guess cost of repairs--Get estimate from radio shop.

While Driving

On flat road

Shifting (in stick-shift car) very hard or noisy (Listen for grinding, growling, or groaning noises. Also make sure it doesn't pop out of gear.) Cost from $50 to $250 to fix--Check with mechanic.

Automatic transmission jerky. (Put in drive. Speed up slowly. Car should shift smoothly. The engine should not race, and car should not jump forward.)--Transmission repairs could cost $100 to $300. Simple adjustment should cost about $20. Check with mechanic.

Brakes pull to one side, or make noise, grab or feel spongy (On wide, straight road, with no traffic, brake hard at 10, 20, and 40 mph.)--Can cost up to $90--Expect $30 to $65 (Average $50.)

Car pulls to one side (Hold wheel lightly to see. Car will pull to one side if road tilts. But on flat road, it should drive straight.)--If there is too much pull, may mean wheels are out of line or trouble with steering --$10 to $80 to fix (Average $25.)

Engine bucks or jerks on pickup (Speed up quickly from 10 to 40 mph)--Tuneup $15 to $40 (Average $30)--If trouble is very bad, may need engine overhaul. Check with mechanic.

Lots of blue smoke when car accelerates (Watch while friend warms up engine, races it a few times. Or watch while car slows down from 50 mph to 15 mph, then accelerates hard.)--Watch out: Puffs of blue smoke mean car may need rings, bearings, or other engine overhaul--Check with mechanic.

To see if car has had major accident (None of these checks tells for sure. If you find one, check for other signs.)

Ripples on paint job (Look in good strong light.)

Body leans to one side

New parts in front of car, under hood

Wheels wobble when car is driven (At 40-50 mph, you may feel this in steering wheel.)

Rear wheels don't go in same track as front wheels

Bad fit on doors, windows, hood, trunk

Note: When you finish using the checklist, add up what you think all of the necessary repairs will cost. This will help you decide what price you think the car is worth.

When a deal on a used car looks too good to be true, it probably is too good to be true. You are the only one you can really trust. USE THE CHECKLIST. TEST DRIVE. EVALUATE.

True, exact mileage should appear on your sales contract. If you find the speedometer has been run back or that mileage has been falsified - a law has been broken - report the matter to: Attorney-General's office.

TO WHOM TO COMPLAIN: State Department of Consumer Affairs; Attorney-General; Better Business Bureau; Radio; Television (Action News); Help Desk at Newspaper; State and National Automobile Association; Ralph Nader, Center for the Study of Responsive Law, Washington, D.C.

The Installment Credit Plan to Finance a Car - See also "Credit" chapter.

Look for: The Annual Percentage Rate (APR % - the total finance charge in dollars and cents. The Seller/Lender cannot legally refuse to give these figures to you.

. . . . A financially sound down payment. Your down payment should be 1/4 to 1/3 of total price of the car.

. . . . Reasonable financing charges. Total amount of charges depends on the amount borrowed, length of time allowed for repayment and the rate of charge.

. . . . Suitable monthly payments--most can be arranged to be met out of your current income.

. . . . A practical monthly payment schedule--payment schedule should be set up so that the debt will be paid off faster than the car depreciates.

. . . . Determine whether you must take out insurance through the dealer--insurance is usually cheaper if it is not handled through the car dealer.

Sources of Automobile Financing

Dealers

Dealers usually sell installment contracts to a sales finance company or bank, and the customer makes payments to the financing agency.

Banks and Credit Unions

Offer both installment and single payment automobile loans.

How to Use the NADA Buying Car Guide (Blue Book)

The Blue book gives you the worth of your car and any other car today.

These car guide values were developed on the basis of actual transactions in the U.S. by dealers. Also, these values are for cars in average condition, although deductions and additions should be considered for damage, and reconditioning.

This guide gives you the average retail price, average wholesale price, shipping weight, model, body type, the manufacturer's suggested advertised delivered price (ADP) and insurance rates by use of insurance symbols which are thoroughly explained on pages 3-4.

You may purchase a guide from National Automobile Dealers Used Car Guide Company, P.O. Box 266, Washington, D.C. 20044. They are reissued each month. Your banker or automobile insurance agent usually has this information available.

Another source is Kelley Blue Book New Car Price Manual, P.O. Box 7127 Long Beach, California 90807.

A third source is Edmund Publications Corp., 295 Northern Blvd., Great Neck, N.Y. 11021. They publish three guides - new car prices, used car prices, and foreign car prices.

Generally just consider the retail value of your car, not the wholesale.

Consumer Finance Companies

Make installment loans up to the maximum allowed by state laws. Primarily these loans are for used cars. Normally the car is pledged as security.

Automobile Repairs

How to Pick a Repair Dealer

In general, pick the repaiman that has the best reputation, or if you've had good luck with an outfit, stick with this outfit.

An authorized dealer for the type of equipment you want fixed may be a good bet. He is used to fixing your type of equipment. He may have special

training on how to fix this type of equipment. He should have the parts he needs. (But remember: There are bad authorized dealers along with the good ones. The safest bet is still the repairman with the best reputation.)

Service Calls

Find out the service charge in advance.

For this charge, the repairman should make a responsible attempt to fix what is wrong. Parts cost extra.

Even if the repair is very easy for him to fix, you'll still have to pay the service charge.

Estimates

Get 2 or 3 written estimates for major repairs, and compare them.

A written estimate should give a description of the repair (something that makes clear what will be done.)

It should also have 2 prices: One for parts, and one for labor.

Set a top price. Tell the repairman to call you before he goes over this estimate.

If all repair estimates are high, stay close to the amount the item is now worth. Decide whether the item is worth repairing at all. It may be better to get a new one.

The Bill

Should be itemized--with each part listed separately.

Should show prices for each part listed and for labor.

Should be dated, signed, and marked paid.

Should include any guarantee you have been promised (or be attached to guarantee.)

TO WHOM TO COMPLAIN: State Department of Consumer Affairs; Attorney-General; Better Business Bureau; Radio; Television (Action News); Help Desk at Newspaper; State and National Automobile Association; Ralph Nader, Center for the Study of Responsive Law, Washington, D.C.

Special Points on Automobile Repairs

. . . . Repairmen may make repairs you didn't authorize.

. . . . They can charge for repairs and parts that they didn't do or install.

. . . . A repairman can give you an estimate and jack up the price after the job is finished.

. . . . If you refuse to accept the higher price, he can either tow your car away or you may have to pay storage on it.

. . . . He can also place on your car what is known as a "mechanics lien." If you fail to pay, you forfeit your car. You can go to court, but you will be without transportation for a while unless you have a second car.

. . . . There are several places to turn to in the event of a poor repair job or misrepresentation, etc.

1. Better Business Bureau
2. Deceptive Pricing Guides of the Federal Trade Commission
3. Attorney General
4. Regional Zone Offices of Various Car Manufacturers. The President of Company
5. Radio Station
6. Small Claims Court
7. Television Station
8. Attorney
9. Police

. . . . They may pressure you into getting more work done than you originally intended. You should go ahead with your original plan and have another garage tell you whether or not you actually need that additional work.

. . . . Beware of diagnostic clinics. The machines may be calibrated incorrectly and the mechanic may give a wrong diagnosis.

. . . . A final note to consider is that you would be better off in the long run by having regular systematic maintenance. When you repeatedly go back to the same well-known dealer, he will most likely keep your car in smooth running condition that will eventually bring a good trade-in value.

. . . . Check with local technical schools. They may repair your car for practice and charge less.

Tires

There are three basic types of tires. In cost and wear value, they are, from lowest to highest, bias ply, belted bias ply and radial. These terms refer to the construction of the tire. The materials from which the tires may be constructed are; rayon, nylon, polyester, fiber glass and steel. Few, if any, inexpensive tires will give you the wear and performance of more expensive tires. When purchasing a new car or buying replacement tires, consider the length of time you intend to drive the car. A $50 tire with a 40,000 mile warranty may be no more expensive than a $25 tire with a 20,000 mile warranty. Your choice of tires should be determined by the number of miles you drive and the type of driving, as in around-town versus higher speed interstate driving.

The life of any tire, of course, depends on proper maintenance. Before purchasing tires, make sure that the front end of the car is properly aligned. The additional expense of balancing the tire is necessary. Should the tire require too many weights to be balanced, chances are that it is out of round and will not be satisfactory. Do not accept the tire if the problem is with the tire and not your wheel. One way to determine this is to have the tire mounted on an alternate wheel. Keep your tires inflated properly. The purchase of a medium priced tire guage permits you to check the tires when they are cold and gives you the best reading.

Warranties need to be understood. The mileage warranty is usually on a

pro-rated basis. If your 40,000 mile tire wears out at 30,000 miles, you will be given credit for 10,000 miles toward the purchase of a new tire. This is usually judged by the amount of tread remaining on the tire. Know your dealer. Off-brand tires are not bargains if you move and do not have a dealer to honor the warranty. Make sure that the seller fills out your registration with the serial numbers of the tires. Keep your papers with you along with maintenance records for proof of warranty.

AUTO INSURANCE

There are basically five kinds of automobile insurance:

1. Liability--This covers bodily injury liability and property damage liability. Bodily injury coverage pays the amount for which the car owner is legally responsible if he injures someone. Property damage coverage pays for damage a driver causes to property other than his own. No one should be without liability; in some states it is required by law. In Tennessee it is not required, but the car owner is held financially responsible or liable for $10,000 per person and $20,000 per accident.

Liability limits are described by a series of three numbers such as 10/20/5. This means that a company will pay $10,000 for bodily injury to one person, $20,000 for bodily injury to more than one person, and $5,000 for property damage.

Make sure you have enough to meet your needs. Generally, 50/100/5 is adequate for most people.

2. Medical payments--This pays medical, hospital, and funeral expenses. It protects all passengers in the car. It doesn't matter whose fault the accident was.

3. Comprehensive--This coverage pays for loss due to atmospheric events, vandalism, fire, and other causes unless otherwise stated in the policy. For example, an insurance company may not insure you against tornados if you live in an area where tornadoes occur frequently. Comprehensive does not cover collisions, breakdowns, or freezing. You should generally consider comprehensive for new cars rather than old cars.

4. Collision--This covers damages to a car if it is hit by another car or fixed object. It is most valuable when the question of fault is in doubt.

Collision is good for a newer car that is bought and paid for and in which repair costs will run high. If you choose to buy it, purchase a $50 or $100 deductible policy. The larger the deductible, the less you pay for insurance

5. Uninsured motorist--This insures the driver and passengers against injury

by a driver who carries no insurance or a hit and run driver. The deductible is usually $200.

The general purpose of carrying automobile insurance is to offer you protection if you, as the insured, are responsible for injury or damage to other persons and their property. The most basic policies are designed to provide this LIABILITY coverage. Some companies provide package policies which offer additional types of coverage. Additional coverage results in an increase in the premium rate that is paid for the coverage. Unfortunately, in Tennessee, drivers are not required by law to carry automobile insurance. Only after a driver has been involved in an accident is he required to prove that he is financially responsible for damages occured up to $10,000. If the individual can not prove this financial responsibiltiy, he may have his driving license and automobile license (tags) suspended and may be fined up to $500.

Most automobile insurance policies will provide an optional protection called UNINSURED MOTORISTS for an increase in premium. This is to provide protection to you and your car if there is body or property damage caused by an uninsured driver of an uninsured vehicle. In the past, this coverage has applied to bodily injury only. In Tennessee this has recently been amended by law to provide compensation for damages to property as well in an amount up to $5,000. IF this UNINSURED MOTORISTS provision was already in your policy, there is no additional premium cost. In addition, the policy owner may elect to provide additional coverage under the UNINSURED MOTORISTS coverage. This coverage may be increased to match the amount of liability insurance covered in the policy, but not to exceed it. This coverage does result in a premium increase but a reasonable one when the value of the loss is considered and certainly until adequate coverage is required of all drivers. This is also a protection against <u>underinsured</u> drivers.

Insurance is not designed to replace the <u>true value</u> of the cost of life or property, but is designed to offset a loss by arriving at a <u>fair market value</u>

which is determined by statistics and tables and is eventually stated in terms of a dollar value. In the event of an automobile accident, a loss generally occurs. This loss or damage will be investigated by a representative of the insurance company called a claims adjuster. This claims adjuster is supposed to help the insured making the claim and the insurance company reach an agreeable settlement. In the event of damage to an automobile, an appraisal of the amount of damage is determined and you are entitled to have your car repaired for this amount of money. Should the amount of damage to the car be greater than the actual value of the car, then the vehicle may be declared as a total loss. In this instance, the claims adjuster has the option of offering you a vehicle of similar worth (replacing the car) or of making a cash settlement. Either of these options is based on the fair market value of your car before the damage was incurred. This value is generally arrived at by what the car would bring if it was sold on the market. A guide for determining the value that is frequently used is the National Automobile Dealers Association (NADA) Blue Book. This guide is published monthly and is used to determine the value of used cars for wholesale and retail purposes. You are entitled to the retail value of your car. The general condition and mileage will be considered in determining the value. If you have kept the car in extra good condition and have maintenance records to prove this, you may be able to receive a higher settlement. In the event you and the claims adjuster can not arrive at an equitable settlement of the current (prior to the accident) fair market value of your car, you may elect to pursue the claim one more step. The State Department of Insurance has an Investigation section which may be of help to you. The office has representatives in Memphis, Jackson, Chattanooga, Knoxville and Johnson City in addition to the main office in Nashville. Look in your phone book under State of Tennessee offices for the Department of Insurance. Any complaint you may have needs to be made in person or in writing and can not be made over the phone.

When shopping for auto insurance, set up a chart for insurance companies involving the exact same coverage. When doing this, consider rate, discounts, prompt service, renewal, reputation, and membership fees. This will aid you tremendously in your choice.

Complaints involving insurance companies should be directed in writing to the department below:

Insurance Department
114 State Office Building
Nashville, Tennessee 37219

Special Points About Car Insurance

Deductibles--With some types of insurance, the insurance company pays for only part of your loss. The amount you have to pay out of your own pocket is called deductible. (Collision and comprehensive policies usually have a deductible.) If you can personally handle a small loss, $100, $200, or $500 deductible collision is much less; 50-100 deductible comprehensive is much less.

Family policy--This type policy covers you, members of your family and other people you let drive your car.

Special policy--Has one liability limit--say, $25,000 for all liability claims, instead of a divided limit like 10/20/5.

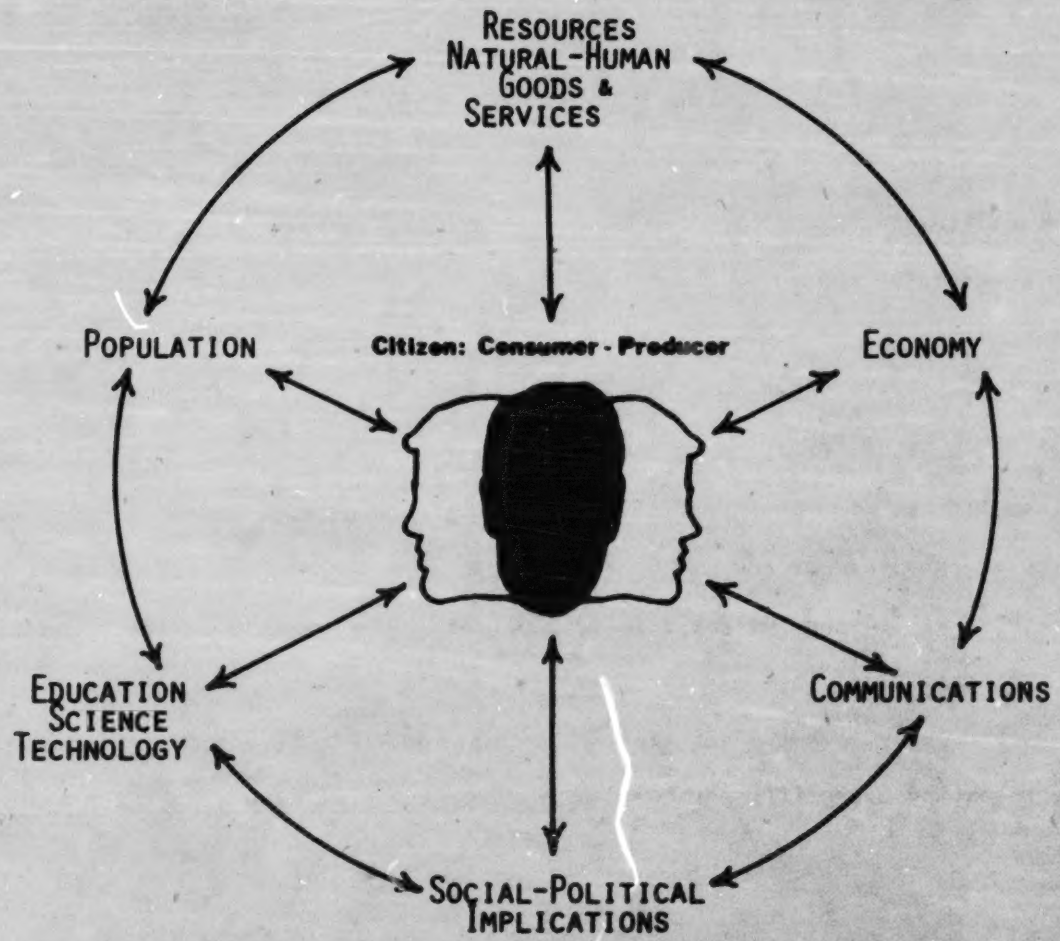
What Is "No-Fault" Insurance?

Auto insurance is designed primarily to protect careless drivers, not their victims. Negligence - liability laws dictate that the motorist who causes an accident must pay for it. Almost every car owner carries liability insurance to protect himself from costly claims, but for his victim the payoff is uncertain at best. Before the insurance company will compensate, blame must be fixed and inquiries translated into dollars. This process is costly, can take years, and the payoff often bears little relation to the actual loss. The two-year study published in 1971 by the Federal Department of Transportation concluded that liability insurance reimburses fewer than half the 500,000 people

killed or seriously injured. Insurance companies wrestle over large claims while overpaying small claims. Besides administrative costs, from 15 to 20 cents of your premium dollars is pocketed by trial lawyers battling to prove the other driver at fault. Only 44 cents of the liability premium is returned in benefits. Auto liability probably has the worst cost/benefit ratio of any major compensation system in this country. Consequently, no-fault insurance has emerged as a model of simplicity compared to the present disjoined insurance packages. It offers a more efficient, effective method because it reimburses the injured on a rational basis - something the present liability system does not do.

No-fault insurance is designed to relieve the financial suffering of those persons injured on the road. The principle simply stated is "my insurance pays the cost of my injuries - your insurance should pay the cost of yours - no matter who is at fault." No-fault is a package of hospital and medical insurance, disability income insurance and life insurance, and it covers motorists, passengers and any pedestrians hit by an insured car. Persons injured or the survivors of those killed can collect from $2,000 - $50,000 or more benefits, depending on the state's plan.

Presently, twenty-four states have adopted no-fault automobile insurance representing over fifty per cent. <u>Tennessee does not have a no-fault insurance law.</u>



THE KEY TO A FREE ECONOMIC SOCIETY

IS THE INDIVIDUAL.

CLOTHING

Before making clothing purchases, it would be wise to make up a plan of "necessities" for each person in the family. Include necessities for each season.

Here is an example of a plan or guide for shopping:

Fall Season

MOTHER	FATHER	SON (Age 13)	DAUGHTER (Age 7)	SON (Age 3)
One all purpose dress	One suit (Wool/Polyester)	3 pr. trousers	3 dresses	3 pr. overalls
Six pairs of hose	2 shirts	3 shirts	3 pr. pants	5 shirts
One pair shoes	2 ties	3 pr. socks Jacket Shoes	3 pr. socks shoes coat	6 pr. pants (training) 4 pr. socks

If you approximate the total cost of these items, you could project your spending. Whether you buy them at regular price or on sale, it would be a good idea to stick only to your spending plan since buying "extras" may mean excluding something you really need.

For future budgeting it would be helpful to put the prices of each item beside its name on the shopping plan. This would give you some idea of how much to put aside for the next fall (or another season's) planning.

If after you complete your plan for shopping and extra money is available from your budget then there are a number of suggestions for extras.

A. Look for sales of "secondary necessities."

B. Let members of your family make suggestions as to their wants with the extra money.

C. Reserve these extras -- money and item suggestions for a special occasion such as a birthday or Christmas.

The family clothing budget plan can teach your children the basic ideas of budgeting. This can be very valuable to them later when they have the same responsibility.

SHOPPING HINTS FOR BUYING CLOTHES

Credit: Buying clothes on credit offers the advantage of having the clothes to wear now and paying for them later. However, eventually you will have to pay for them -- plus interest!

Selection: Shop around! Compare price and quality. This will make your money go further.

Beware of high (or very contemporary) style clothes. Although they usually go on sale at the end of a season, they will probably not serve you well or comfortably when the next style replaces it.

Examine "seconds" and "irregulars" carefully. The prices are lower than regular stock but there are flaws in construction, material, size, etc.

Read labels. Can you afford clothes that require only dry cleaning or special cleanings?

SIZE RANGES

Girls'	Size 7 to 14
Juniors'	Size 3 to 15
Petite Juniors'	Size 3 to 15
Misses'	Size 6 to 20
Tall Misses'	Size 6 to 20
Petite Misses'	Size 6 to 20
Half Sizes	Size 12½ to 26½
Womens'	Size 36 to 52

RATE OF CHANGE: CHILDREN'S SHOE SIZES

Age of Child	Size Changes Every
1 to 6 years	1 to 2 months
6 to 10 years	2 to 3 months
10 to 12 years	3 to 4 months
12 to 15 years	4 to 5 months
15 years and over	6 months or more

JUDGING WORKMANSHIP IN CLOTHING

NOTICE:

1. Cut and fabric allowances for seams, hems, pleats, lapels and fitting case.
2. Seams -- even in width, flat, wide enough to withstand strain and permit alterations.
3. Stitching -- short, neat, continuous, even in length, straight, securely fastened at ends, in thread matching fabric.
4. Reinforcements -- extra stitching, patches bar tacks, metal rivets of tape at points of strain such as elbows.
5. Hems -- flat, even in width, invisible on right side, carefully finished on inside and permits lengthening.
6. Buttonholes -- cut on grain, smooth firmly bound and reinforced, right size for buttons.
7. Buttons, hooks, and snaps -- firmly attached, properly placed, suitable size and type for garment.
8. Trim and decoration -- coordinated color, well placed neatly and firmly attached.

HOW TO SAVE MONEY ON CLOTHING

. . . Shop the sales whenever possible completing your "necessities list" first.

. . . Remember clothes are higher at the beginning of the season and lower at the end. For example, right after Christmas, Easter, July, and August.

. . . Buy a sewing machine and make as many clothes as time allows. Check the thrift stores and newspaper want ads for a machine.

. . . Buy clothes that can be used interchangeably to complement other outfits. This will make your wardrobe look larger.

. . . Buy clothes that can be used for more than one type weather and occasion.

. . . Work out a plan on paper and stick to it! Write down each purchase, price and whether it was a sale or regular price. This can be used for

future reference.

. . . When buying for children allow room for growth without buying too big. Another hem or seam sometimes is all that's needed in order to preserve the garment for another season.

. . . Try to pay cash in order to save on service and other costs.

FABRIC

Nylon -- A fiber developed in the chemistry lab by DuPont. It is very strong, light-weight, and retains shape well. Washes easily but tends to attract dirt. Some woven fabrics may be hot or uncomfortable to wear. Found in hosery, lingerie, sweaters, windjackets, and dresses. Most carpets are nylon.

Polyester -- Most used fiber in the U.S., also a DuPont development. Has exceptional wrinkle resistance and needs little ironing or pressing. Easy to wash, but white fabrics will go tattle-tale gray after a time. Found in combination with other fibers like cotton, rayon, or wool in most types of apparel. Used alone in doubleknits.

Rayon -- Similar to cotton, very inexpensive.

Acetate -- Usually should be drycleaned, read label carefully. Triacetate (Arnel) behaves like nylon.

Acrylic -- Manmade fiber, similar to wool, used in sweaters, shirts, socks. Garments can be laundered.

Stretch Fabrics -- Can be extended by tension beyond their original shape, and will return to original shape when released.

Bonded or Laminated Fabrics -- Refer to two or more fabrics joined together by an adhesive. Usually cannot be drycleaned.

Fur-like Fabrics -- Made of wool or manmade fibers are high pile fabrics which provide fur-like warmth and texture.

CLOTHING EXPENDITURES BY FAMILY SIZE

RESIDENCE & MONEY INCOME AFTER TAXES	1	2	3	4	5	6 OR MORE
URBAN						
Under $1,000	$40					
1,000 - 1,999	90	100				
2,000 - 2,999	230	170	230			
3,000 - 3,999	290	280	340			
4,000 - 4,999	390	340	460	550		
5,000 - 5,999	410	400	530	550		
RURAL NONFARM						
Under $1,000	80	140				
1,000 - 1,999	70	160	240	310		
2,000 - 2,999		180	310	340		
3,000 - 3,999		240	400	440		

SIZES FOR MEN AND BOYS ARE BASED ON THESE BODY MEASUREMENTS

Suit -- Chest, height, waist

Shirts -- Neck, sleeve length

Pajamas -- Chest

Coats and jackets -- Chest, height

Pants -- Waist, hip and leg length

Sweaters -- Chest

Underwear -- Chest, waist and, for long pieces, height

ROUTINE CLOTHING CARE

1. Hang or fold clothes after each wearing.
2. Brush garments between wearings.
3. Mend clothes when loose or missing buttons tear and holes first appear.
4. Press or iron as required.
5. Wash or send to cleaners as soon as soiled.

6. Protect clothes as you wear them.

7. Keep shoes in good condition -- polish, brush and repair them as necessary.

HOW TO MAKE THE MOST OF YOUR CLOSET ROOM

For short clothes, put two rods in one closet. Put the top rod about 58 inches from the floor. On the top rod, hang: pants, suits, shirts, skirts, and blouses. Put the bottom rod about 30 inches from the floor. Put your children's clothes on the bottom rod. Then your children can get their own clothes, learn to dress themselves, learn to be neat and hang up their clothes.

DRY CLEANING

Clean garments before they become heavily soiled and before stains "set." Also, empty pockets, mend tears, and remove trim that cannot be cleaned.

The professional dry cleaner has knowledge, skill, and equipment for effective spot removal and for cleaning and pressing.

Cleaners may offer services such as dyeing, alterations and repairs, pick-up and delivery. Some offer special rates for "Cleaning by the pound."

Coin operated dry cleaning machines offer economy and speed. Shake and hang clothes immediately after cleaning. Air thoroughly before wearing.

LAUNDRY PRODUCTS

Bleaches -- Whiten and brighten fabrics, aid in stain removal, disinfect. Chlorine bleach is not safe for all fabrics. Oxygen bleach is safe for most fabrics but may not be as effective.

Packaged Water Softeners or Conditioners -- Soften hard water. Amount depends on hardness of water and size of wash, but less detergent is required for softened water.

Fabric Softeners or Conditioners -- Added to final rinse water to improve the feel of fabrics and reduce wrinkling and static electricity.

Starches -- Give body and a smooth crisp finish to fabrics and help keep garments clean longer. Types: Vegetables (dry, liquid, spray);

Synthetic or Plastic (liquid or spray).

CLOTHING BUDGETS

Use the following tables as guidelines in purchasing clothing on a yearly basis:

USDA CLOTHING BUDGETS: 1975 COSTS

Children's and adults' clothing budgets at three cost levels have been updated to 1975 prices and are presented in tables 1, 2, and 3. The seasonally adjusted indexes for March 1975 were used to represent 1975. A description of these budgets may be found in the Summer 1974 issue of *Family Economics Review.*

Table 1.—Children's clothing budgets: Annual cost of clothing purchases for children at 3 cost levels, by urbanization and region, United States, 1975 prices[1]

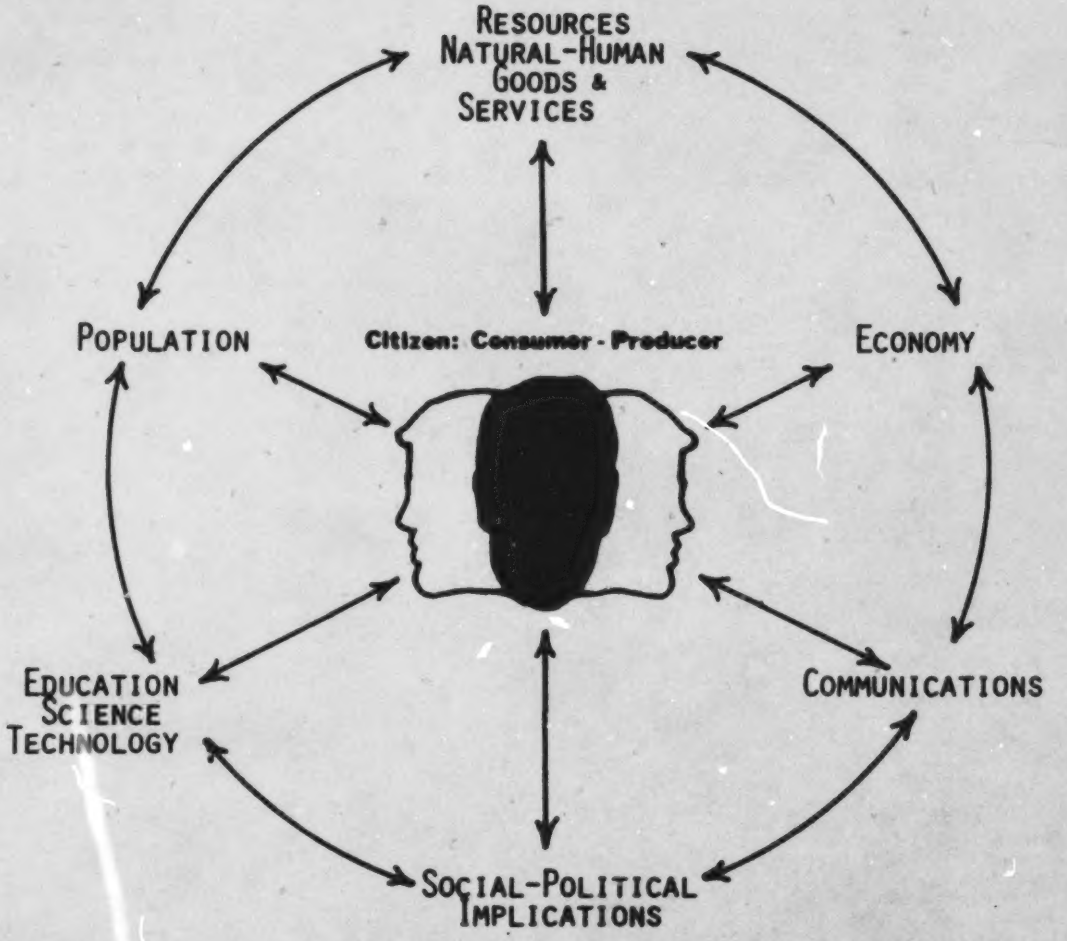
Urbanization, region, and cost level	Infants under 2 years	Girls			Boys		
		2 to 5 years	6 to 11 years	12 to 15 years	2 to 5 years	6 to 11 years	12 to 15
	Dollars	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
FARM							
North Central:							
Economy	28	71	90	136	71	107	128
Low-cost	43	109	154	260	92	145	190
Moderate-cost	---	---	237	418	111	208	265
South:							
Economy	38	70	110	143	63	124	137
Low-cost	60	112	174	251	102	158	210
Moderate-cost	---	---	235	357	---	214	303
RURAL NONFARM							
North Central:							
Economy	44	44	92	---	53	91	---
Low-cost	55	74	124	246	76	131	174
Moderate-cost	69	128	181	377	118	191	243
South:							
Economy	40	63	84	126	69	96	118
Low-cost	64	107	144	240	99	143	193
Moderate-cost	86	180	236	360	147	228	294
Northeast:							
Low-cost	66	96	158	205	98	155	215
Moderate-cost	82	166	259	356	152	244	302
West:							
Low-cost	---	100	170	237	118	135	194
Moderate-cost	---	149	250	380	---	185	276
URBAN							
North Central:							
Economy	48	54	85	---	60	106	---
Low-cost	65	107	156	230	95	151	185
Moderate-cost	78	150	224	341	131	205	233
South:							
Economy	42	72	109	115	73	111	---
Low-cost	67	110	147	210	101	155	177
Moderate-cost	90	164	228	368	150	233	273
Northeast:							
Economy	37	84	104	---	95	142	---
Low-cost	59	108	151	199	118	149	180
Moderate-cost	82	170	252	374	171	226	285
West:							
Economy	37	60	101	---	68	102	---
Low-cost	61	98	157	188	99	136	162
Moderate-cost	78	151	235	318	148	205	241

Table 2.—Women's clothing budgets: Annual cost of clothing purchases for women at 3 cost levels, by urbanization and region, United States, 1975 prices[1]

Urbanization, region, and cost level	Unmarried, living in families		Married			Independent consumers		65 years and over
	16 to 17 years	18 to 24 years	18 to 24 years, not employed	25 to 64 years, not employed	25 to 64 years, employed	25 to 64 years, employed	25 to 64 years, not employed	
	Dollars	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
FARM								
North Central:								
Economy	173	---	---	113	---	---	---	---
Low-cost	308	511	147	144	183	---	---	67
Moderate-cost	---	736	---	238	---	---	---	103
South:								
Economy	---	---	---	97	---	---	---	---
Low-cost	294	327	160	145	218	---	---	71
Moderate-cost	458	480	---	260	376	---	---	81
Northeast:								
Economy	---	---	---	85	---	---	---	---
Low-cost	---	---	---	113	---	---	---	---
Moderate-cost	---	---	---	202	---	---	---	---
RURAL NONFARM								
North Central:								
Economy	---	---	---	71	---	---	---	54
Low-cost	---	349	120	119	---	---	---	81
Moderate-cost	---	---	---	227	---	---	---	165
South:								
Economy	---	---	101	74	---	---	---	47
Low-cost	332	354	156	125	266	---	---	76
Moderate-cost	---	---	270	255	499	---	---	167
Northeast:								
Economy	---	---	---	74	---	---	---	49
Low-cost	---	---	---	133	---	---	---	70
Moderate-cost	---	---	---	263	---	---	---	---
West:								
Economy	---	---	---	74	---	---	---	---
Low-cost	---	---	---	127	---	---	---	---
Moderate-cost	---	---	---	248	---	---	---	---
URBAN								
North Central:								
Economy	---	---	---	81	---	---	55	53
Low-cost	314	454	221	175	220	201	127	113
Moderate-cost	448	591	307	269	334	296	---	179
South:								
Economy	---	198	147	90	---	---	---	60
Low-cost	300	464	244	167	185	307	184	88
Moderate-cost	462	689	373	291	361	470	---	156
Northeast:								
Economy	---	---	---	84	---	---	---	77
Low-cost	298	436	222	176	202	182	101	117
Moderate-cost	481	610	364	303	376	316	225	171
West:								
Economy	---	---	108	78	---	---	---	68
Low-cost	243	443	197	177	187	242	192	107
Moderate-cost	367	563	305	295	349	330	---	162

Table 3.—Men's clothing budgets: Annual cost of clothing purchases for men at 3 cost levels, by urbanization and region, United States, 1975 prices[1]

Urbanization, region, and cost level	Unmarried, living in families		Married		Independent consumers, 25 to 64 years	65 years and over
	16 to 17 years	18 to 24 years	18 to 24 years	25 to 64 years		
	Dollars	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
FARM						
North Central:						
Economy	---	---	---	130	---	78
Low-cost	221	252	---	172	---	100
Moderate-cost	338	322	---	258	---	148
South:						
Economy	161	---	---	124	---	73
Low-cost	212	247	---	179	---	95
Moderate-cost	---	382	---	268	---	148
Northeast:						
Economy	---	---	---	115	---	---
Low-cost	---	---	---	130	---	88
Moderate-cost	---	---	---	196	---	---
RURAL NONFARM						
North Central:						
Economy	---	---	---	91	---	47
Low-cost	---	251	---	146	---	70
Moderate-cost	---	---	---	237	---	119
South:						
Economy	---	---	---	99	---	64
Low-cost	187	237	204	169	---	87
Moderate-cost	---	391	---	287	---	142
Northeast:						
Economy	---	---	---	87	---	---
Low-cost	---	314	---	179	---	57
Moderate-cost	---	399	---	282	---	82
West:						
Economy	---	---	---	129	---	---
Low-cost	---	---	---	189	---	100
Moderate-cost	---	---	---	280	---	---
URBAN						
North Central:						
Economy	---	---	---	86	---	45
Low-cost	238	263	242	179	129	95
Moderate-cost	308	341	297	255	144	144
South:						
Economy	---	---	---	101	---	50
Low-cost	192	278	238	180	159	82
Moderate-cost	277	376	313	285	286	141
Northeast:						
Economy	---	---	---	93	---	48
Low-cost	208	234	203	165	120	80
Moderate-cost	297	330	292	272	265	129
West:						
Economy	---	---	---	109	---	53
Low-cost	178	246	232	194	207	77
Moderate-cost	246	312	286	284	307	116



THE KEY TO A FREE ECONOMIC SOCIETY

IS THE INDIVIDUAL.

CREDIT

Credit may be briefly defined as man's trust in man or in credit terms as the lender's faith in the borrower's ability to pay. While credit is often promoted as a means of increasing purchasing power, such is rarely the case. An exception occurs if money is borrowed at a cheaper rate than can be earned upon its investment or if the consumer knows that the total credit cost of necessary purchases would be less than the cash cost of the same items at a later date. In most cases, however, use of credit merely shifts purchasing power by allowing the consumer to "buy now" and "pay later"--or from future income. Frequently, when interest costs are considered, future purchasing power is actually reduced. Furthermore, the demands of credit payments upon income may reduce the consumer's ability to trade at stores at which he does not have established credit or to take advantage of unanticipated opportunities due to the lack of ready cash.

The use of credit to purchase goods and services has risen almost 90% over the past forty years. This increase in the ability to borrow money has many advantages, but it also bears many disadvantages.

ADVANTAGES OF CREDIT OR BUYING ON TIME

1. You can use the goods while you pay for them.
2. It seems easier (or you try harder) to make payments than to save to buy large items like cars, T.V.'s, refrigerators.
3. Even if you prefer to buy in cash, there are emergency situations where credit or borrowing may be the only way to get adequate funds to meet the crisis.
4. It is convenient and provides certain records of purchases.
5. Borrowing money or buying on time helps establish for you a credit rating, which can be an asset. Credit Bureaus or Credit Investigating Agencies keep records showing whether or not you have a reputation for being a

good credit risk, your financial record, how promptly you pay bills, etc. They contain information about your:

a. CHARACTER - Will you pay as agreed? Are you stable, reliable, dependable, trustworthy and willing to pay your debts? This is your financial record of responsibility.

b. CAPITAL - What are you worth? What property do you own? What cash do you have in the bank? What can you offer as collateral or for security?

b. CAPACITY - Your earning power...present and future income...and your present financial obligations. Can you pay as agreed? What is your future earning potential?

DISADVANTAGES OF CREDIT OR BUYING ON TIME

1. The cost of credit called "The Real Cost or Total Cost" is high. If you buy on the installment plan, you will generally pay between 10 and 20% more than the cash price. This lowers the total buying power of your income and thus lowers your standard of living. It lowers your chances of being able to borrow money in the event of an emergency. Also, with a smaller income, the higher the risk you become and the more or higher rate you would have to pay in interest. Those less able to pay or those with the poorest credit rating pay the highest finance charges for the privileges of buying on time. If the amount of your payment were deposited in a savings account earning 4 to 5% interest, compounded quarterly, your money would be earning money for you. "The Real Cost" is the extra cost of interest you pay for loan or credit PLUS the loss of the use of your money to earn for you. For example, it is estimated that a head of household will shell out in an average lifetime of 45 years an average sum of $8,000 in interest for purchases of cars, major appliances, sewing machines, etc. If the same amount of installment payments were deposited in a

savings account @ 4% interest, compounded quarterly, and the money was withdrawn to buy these items with cash, the consumer would end up with the same purchases plus about $41,050 richer.

2. It may tempt you to overbuy. The "easy terms" may lead into buying more items or more expensive items than your budget can stand--thus creating a financial crisis.
3. If you are unable to meet payments, you may lose the goods plus the money you have already put into it through "repossession." You may also lose the goods and still owe money on the items which you no longer own if you owe more than they bring in a resale.
4. The terms of the contract which you signed are often hard to understand and may include certain pitfalls such as...

...a provision for a creditor to go to court, get a judgment against you without notifying you of the planned court action;

...a provision that requires you to pay the creditor's lawyer's fees in the event of default (failing to make payment on a loan);

...a provision in which you give up your right to your home and/or all household goods if you stop payment on a loan;

...a provision for a high dollar penalty if you make a late payment or for extending your payment longer as a penalty;

...a provision that permits the assignment or garnishment of your wages;

...a provision called the "balloon note" which permits the creditor to make the last payment much larger than the others.

<u>CONSUMERS BEWARE! FOLLOW THESE STEPS IF YOU PLAN TO BORROW MONEY OR IF YOU ARE CO-SIGNING A LOAN!</u>

REMEMBER: To co-sign a note or go on a loan as a co-signer for someone holds the same obligations as borrowing the money yourself.

STEPS TO WISE CREDIT USE

1. BORROW ONLY FOR NECESSARY REASONS.

   Sample: Unexpected medical and dental bills, educational costs, major appliances or autos--it is safest to borrow only on those items which will retain a market value over and beyond the installment payment period. Don't borrow money for items that are worn out or used up before they are paid off.

2. BORROW WHAT YOU CAN AFFORD - DON'T GO OVERBOARD.

   How do you know how much credit you can afford? A rule of thumb says... that a person can safely use 1/5 of his total income or 1/4 to 1/3 of his discretionary income (discretionary income is that money left over after essential - food, clothing, shelter, taxes, insurance - are met).

   FIGURE:

   TOTAL MONTHLY NET INCOME.....$_____

   Subtract total regular monthly expense.....$_____

   Subtract total non-monthly expenses.....$_____

   BALANCE (amount you can safely use for credit and other purposes).....$_____

3. DETERMINE IF YOU WILL BE ABLE TO GET CREDIT OR QUALIFY FOR A LOAN.

   What's your credit rating? The 3 "C's" of Credit - Character, Capital. Capacity - will determine if money will be extended to you and how much. (See Intro. Credit) When applying for credit, you will be asked to fill out a credit application form. You will also be asked to sign permission for the retailer or lender to check with the credit bureaus on your credit rating.

WHAT'S YOUR CREDIT RATING?

If you have a charge account, a mortgage on your home, life insurance, or have applied for a personal loan or job it is almost certain there is a "file" existing somewhere that shows how you pay your bills, if you have been sued,

arrested, or filed for bankruptcy, etc.

And some of these files include your neighbors' and friends' views of your character, general reputation, or manner of living (Investigative Report).

The companies that gather and sell such information to creditors, insurers, employers, and other businesses are called "Consumer Reporting Agencies," and the legal term for the report is a "Consumer Report."

The consumer reporting agencies in your community can be located by consulting the "Yellow Pages" of your telephone book under such headings as "Credit" or "Credit Rating or Reporting Agencies or Bureaus." (Example: Nashville Credit Bureau)

THE FAIR CREDIT REPORTING ACT became law on April 25, 1971. It was passed by Congress to protect consumers against the circulation of inaccurate or obsolete information, and to insure that consumer reporting agencies exercise their responsibilities in a manner that is fair and equitable to consumers.

Under this new law you can now take steps to protect yourself if you have been denied credit, insurance, or employment, or if you believe you have had difficulties because of a consumer report on you. PROTECT YOURSELF. Exercise your rights under the law. YOU HAVE THE RIGHT:

1. To be told the name and address of the consumer reporting agency responsible for preparing a consumer report that was used to deny you credit, insurance, or employment or to increase the cost of credit or insurance.

2. To be told by a consumer reporting agency the nature, substance, and sources (except investigative-type sources) of the information (except medical) collected about you.

3. To take anyone of your choice with you when you visit the consumer reporting agency to check on your file.

4. To obtain all information to which you are entitled, free of charge, when you have been denied credit, insurance, or employment within 30 days of your interview. Otherwise, the reporting agency is permitted to charge a reasonable fee for giving you the information.

5. To be told who has received a consumer report on you within the preceding six months, or within the preceding two years if the report was furnished for employment purposes.

6. To have incomplete or incorrect information re-investigated, unless the request is frivolous, and, if the information is found to be inaccurate or cannot be verified, to have such information removed from your file.

7. To have the agency notify those you name (at no cost to you) who have previously received the incorrect or incomplete information that this information has been deleted from your file.

8. When a dispute between you and the reporting agency about information in your file cannot be resolved, you have the right to have your version of such dispute placed in the file and included in future consumer reports.

9. To request the reporting agency to send your version of the dispute to certain businesses for a reasonable fee.

10. To have a consumer report withheld from anyone who under the law does not have a legitimate business need for the information.

11. To sue a reporting agency for damages if it willfully or negligently violates the law and, if you are successful, you can collect attorney's fees and court costs.

12. Not to have adverse information reported after seven years. One major exception is bankruptcy, which may be reported for 14 years.

13. To be notified by a business that it is seeking information about you which would constitute an "Investigative Consumer Report."

14. To request from the business that ordered an investigative report, more information about the nature and the scope of the investigation.

15. To discover the nature and substance (but not the source) of the information that was collected for an "Investigative Consumer Report."

Arrange an interview to see your record at the agency's office or call and arrange in advance an interview by phone. If there is a violation of the Fair Credit Reporting Act, report to the Federal Trade Commission, Atlanta, Georgia or Washington, D.C. (See Sources To Redress Grievances - Appendix).

SHOP FOR CREDIT - COMPARE CREDIT COSTS AND CREDIT CONTRACTS FROM SEVERAL SOURCES

WHERE TO GO TO GET CREDIT

	Interest Rate	Collateral or Security
1. LIFE INSURANCE COMPANY--If you have life insurance, you can borrow the cash value of your policy up to the full value of policy at the interest stated in your policy.	5-6%	The Policy

	Interest Rate	Collateral or Security
2. COMMERCIAL BANKS--(The largest source used for loans)--Three types of loans available:		
a. Unsecured - 30, 60, 90 days usually but can be 6 or 12 mos. Principal and Interest to be paid back in lump sum at end of period.	8-10% True Simple Interest or Discounted 16-20%	Personal Note may or may not require a co-signer
NOTE: Sometimes, interest is taken out in advance called "Discounted Rate". This may double interest rate. (See Figuring Interest Costs)		
b. Unsecured Installment Loans - Usually interest is taken out in advance-that is, it discounts the loan. You pay off total in monthly installments. Thus, a $200 discount loan @ 9% costs approximately $36. The ADD-ON Method may be used. This, the interest is added to amount borrowed and total is divided into exact number of payments. In either case, you do not have use of your money for full time. Life insurance may be required and penalties may be imposed for paying off early (pre-payment). (See Computing Interest Cost)	True Annual Rate 12-24%	
c. Secured Loan - Collateral is required to "secure" the loan. Generally, 60% of value of stock, or of the "blue-book" value of car or of the cash value of life insurance can serve as collateral. Interest or rates on secured loans often run less.	True Interest Rate 8-20% Depends on method of computing.	
3. CREDIT UNIONS--Groups of people with common bond or interests (ex. employees of corporation or firm, member of church, or other private or public community group). To join, members must deposit savings in credit union. They may receive interest on account. Some credit unions offer free life, health and accident insurance, loan protection, no pre-payment penalties, and no extra charges for handling loan.	Federally licensed to 12%. If not licensed, interest is unlimited by law.	May be required; purchase may serve as collateral.

	Interest Rate	Collateral or Security
4. RURAL LOANS--The rural loan programs are administered by the Farmers Home Administration, U.S. Department of Agriculture. Loans are provided to low-income rural families to help permanently increase their incomes. There are many types of rural loans, i.e. Home Loans (See p. 113A-B), Operating Capital Loans, Improvement Loans, Farm Loans, etc. These loans are obtainable through many sources, i.e. local banks, Federal Land Bank Associations, Production Credit Associations, Farmers' Home Administration, etc. Loans are also available to start or strengthen cooperatives serving low income families. For more information, write: U.S. Department of Agriculture, (County) Office, Farmers Home Adm. or U.S. Department of Agriculture, Washington, D.C.		
5. CONSUMER FINANCE COMPANIES--Sometimes Called "personal finance companies" or "small loan companies" or "industrial loan companies." Some, but not all, are licensed and regulated under Tennessee Small Loan Laws, Department of Insurance. They are geared for persons without established credit-thus interest is higher.	If state regulated probably a 7-1/2% discount plus charge & fees or approx. 18-48% true int. rate	Either unsecured or secured. Will take such collateral as furniture mortgages.
6. OTHER FINANCIAL INSTITUTIONS--Savings & Loan Associations, auto finance companies (GMAC, Ford Credit Corp.), mutual savings banks, etc. These may vary depending on type of loan and mortgage. For ex.--home mortgages depend on prime rate. Auto loans depend on whether state has rate legislation.		
If regulated, new cars.....	12-24%	Mortgages
If unregulated by state.....	12-120%	and/or
Used Cars-regulated by state....	18-43%	security
Unregulated by state.....	19-275%	is required.
7. PERSONAL LOANS--Friends and relatives - can create misunderstandings and problems for lender and borrower alike. Use only in dire emergency.	varies	Advisable to require collateral.

	Interest Rate	Collateral or Security
8. PAWNBROKERS--The pawnee is not personally liable for the debt. 90 days is the legal limit that a pawnbroker must keep merchandise before he can sell it.	24-120% or more	You must leave (pawn) something as security.
9. LOAN SHARKS--Unlicensed and sometime illegal - may be higher than pawnshops and very risky. For your protection, borrow from a reliable lending agency.	50-1200%	

Federal Laws do not set limits on the amount a seller may charge for consumer credit. However, Tennessee State Laws do set certain limits for particular kinds of credit.

Tennessee Banks are limited to 10% annual percentage rate interest, which is paid on loans which are paid all in one payment.

TENNESSEE REGULATIONS ON LOANS AND ON INSTALLMENT CREDIT

The State of Tennessee has set maximum finance charges for purchases involving installment credit, not including motor vehicle credit. However, no specific regulatory agency enforces these charges, and if they are violated you must notify the violator in writing. If he corrects the situation within 30 days, nothing is done. If not, you must get a lawyer and sue; but if successful, you can recieve triple damages.

Maximum charges are $10 per $100 for the first $500 then $8 per $100 for amounts from $500 to $5,000, and $6 per $100 on that portion over $5,000. Retail charge agreements, and revolving credit have a maximum of 1 1/2% of the unpaid balance per month, with a minimum charge of 70¢ per month. Delinquent charges are not covered so there is no maximum.

Comparing Interest Rates

Basically, any time purchase involves borrowing money; and, as everyone must pay for the use of someone else's money, each loan involves finance charges. The wise way to approach time buying is to compare the finance rates of auto dealers' installment contracts with the rates of credit unions, banks, and small-loan companies. If such rates are lower than the installment service rates, it is to the buyer's advantage to pay cash to the sales company and take out a personal loan from another source. Look at the amount of the finance charge and the annual percentage rate.

FIGURE THE $DOLLAR$ COST OF CREDIT

Use just simple arithmetic!

A color television costs $379.00 and can be paid for by making 12 monthly payments of $36.25. Find the dollar cost of credit.

Multiply

$ 36.25 amount of monthly payment
x 12 number of monthly payments
7250
3625
$435.00 total amount financed

Subtract

$435.00 total amount financed
-379.00 original price
$ 56.00

THEREFORE, $56.00 = THE TOTAL DOLLAR COST OF CREDIT

MULTIPLY (x) amount of monthly payment by number of monthly payments

SUBTRACT (-) from that total the amount financed (Cash price minus (-) down payment)

DIFFERENCE WILL BE THE DOLLAR COST OF CREDIT

LEARN THE TRUTH ABOUT CREDIT COSTS!!!!!

A 3% a month charge for a small loan - at a consumer finance company - is actually	36% per year
3/4 of 1% per month on unpaid balance	9% per year
5/6 of 1% per month on unpaid balance	10% per year
1% per month on unpaid balance	12% per year
1 1/4% per month on unpaid balance	15% per year
1 1/2% per month on unpaid balance	18% per year
2 1/2% per month on unpaid balance	30% per year
An $8 per $100 financing plan* on used cars is actually about	16% per year
A $6 per $100 financing plan* on new cars is actually about	12% per year

*This refers to a "discount" deal where the interest, say 6% or 8%, is deducted from the total amount of the loan, which is to be repaid in 12 monthly installments. You do not have the use of the entire amount of credit for a year, since you are reducing the balance each month. The true annual rate for credit actually used is about double the apparent rate.

COMPARE ANNUAL PERCENTAGE RATE (APR) OF LOANS.

FIGURE THE TRUE ANNUAL PERCENTAGE RATE

DFFERENT WAYS FOR FIGURING INTEREST. . .

Simple Interest

If you borrow $100 for one year for a finance charge of $6.00 and at the end of the year repay $106.00, the True Annual Percentage Rate is 6% simple interest. You have use of the $100.00 all year.

Example:

Borrowed	Time	Paid	Dollar Cost	True Annual Percentage Rate	Quoted Annual Percentage Rate
$100	1 year (360 days)	$106.00 (lump sum)	$6.00	6% simple	6% ($6 per $100)

Add-On Interest

You receive the full amount of the money borrowed, with the interest added (you borrow only $100 for a year, but sign a note for $106 to be repaid in 12 monthly payments; the $6 is the Add-On Interest); the monthly payment would be $106 divided by the total number of payments. The Add-On Method permits you to have use of only about half of the $100 for the full year. The annual percentage rate is almost double. See charts below:

Example:

Borrowed	Time	Paid	Dollar Cost	True Annual Percentage Rate	Quoted Annual Percentage Rate
$100	12 mos.	$106.00 (12 equal)	$6.00	11.0	6% Add-On ($6 per $100)

$6 per $100 per year = 11.0%
$8 per $100 per year = 14.5%
$10 per $100 per year = 18.0%
$12 per $100 per year = 21.5%

Discount Interest

Interest charges are deducted in advance (you sign a note for $100, but the actual amount you receive is only $94, the $6 deducted from $100 is the Discount Interest). The monthly payment would be $100 divided by the total number of payments. The Discount Method permits you to have use of less than half of the $100 for the full year. The annual percentage rate is double or more Simple Interest, and higher than Add-On Interest.

Example:

Borrowed	Time	Paid	Dollar Cost	True Annual Percentage Rate	Quoted Annual Percentage Rate
$100	12 mos. 100 ÷ 12	$100.00 (12 equal payments)	$6.00	app. 12%	6% Discount ($6 per $100)

FORMULA FOR FIGURING INTEREST

Most banks express interest cost as: Percent per annum. This figure is arrived at by the old formula: I-PRT, or Interest-Principal x Rate of Interest x Time (in years).

To figure out the simple annual interest rate, we can use the following formula:

$$R = \frac{2pc}{A\ (n + 1)}, \text{ where}$$

r = the simple annual interest rate
p = the number of payments made in one year
c = the dollar amount of the interest of finance charge
a = the amount borrowed (principal)
n = the number of installment payments to be made during the sold contract period (usually 36 months)

FIGURING REFUND IF PAID OFF EARLY

If an installment contract is paid off early, the consumer is entitled to an "interest rebatement." The amount of interest charge remitted to the consumer is figured out by applying the rule of 78's. Under this rule, the number of the months in an installment loan contract are totaled. In a 12-month contract, the numbers 1 through 12 when added total 78 (1+2+3, etc.). In a 6-month contract the digits would add to 21, or 1+2+3+4+5+6 = 21.

We can now figure out how much interest charge should be returned to him by this method: The rule of 78's supposes that 12/78 of the finance charge is absolved the first month, 11/78 the second month, 10/78 the third, etc.

THUS:

MONTHS	PAYMENTS TO GO	INTEREST CHARGE ABSORBED
1	12	12/78 + 11/78 + 10/78
2	11	9/78 + 8/78 + 7/78
3	10	+ 57/78 or 73%
4	9	
5	8	He is then entitled 17% of $120 back or $20.40
6	7	
PAID OFF 7	6	
HERE 8	5	
9	4	
10	3	
11	2	
12	1	
TOTAL 78		

UNDERSTAND
YOUR
RIGHTS
BEFORE....
....YOU
SIGN
A
CONTRACT

The Federal Law (Fair Credit Reporting Act - commonly called the Truth-In-Lending Law) states that <u>everyone</u> who extends credit must state terms clearly, conspicuously, in meaningful order, and in language easily understood; and also your credit contract must state----

----THE ANNUAL PERCENTAGE RATE - APR.

YOU, the borrower, must take it from there - - - -

UNDERSTAND ALL CONDITIONS
COMPARE <u>APR</u> OF DIFFERENT LOANS
KNOW $CREDIT $COST $DOLLAR

FEDERAL LAW REQUIRES THE FOLLOWING INFORMATION ON A CONTRACT FOR CREDIT:

. . .Description of purchase
. . .Cash price
. . .Cash down payment and/or trade-in allowance
. . .Unpaid balance
. . .Other charges (example local sales tax)
. . .Total amount financed
. . .Amount of FINANCE CHARGE
. . .Cash total of payments
. . .Deferred payment price (<u>total cost</u> in dollars, including cash price, finance charge, and any other charges)
. . .Annual percentage rate
. . .Number, amount and due-dates of payments
. . .Date on which finance charge begins
. . .Notice of any payment more than twice the amount of regular payment along with a statement of any conditions for refinancing
. . .Amount and explanation of penalties for late payment
. . .Description of any security interest held by the creditor

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There is <u>NO LAW</u> requiring Credit Life insurance, so that if you are asked to take out insurance for the amount of the loan, be sure you know how much it costs. You may be able to buy insurance from another insurance agency cheaper.

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READ EVERY LINE. . . .

TYPICAL CREDIT CONTRACT

Seller's Name and Address_____

Buyer's Name_____Date of Contract_____

Co-Signer(s) Name_____

Description of goods and services to be sold:_____

_____

(1) Cash Price (incl. taxes, accessories and services).....$_____

(2) Down Payment

Cash Down Payment.....$_____

Trade-in.....$_____

Total Down Payment.....$_____

(3) Unpaid Balance of Cash Price (1)-(2).....$_____

(4) Other Charges--Official Security Interest Fees.....$_____

(5) Unpaid Balance--Amount Financed (3)+(4).....$_____

(6) FINANCE CHARGES.....$_____

(7) Total Payments (5)+(6).....$_____

(8) Deferred Payment Price (1)+(4)+(6).....$_____

ANNUAL PERCENTAGE RATE: _____

The above Total of Payments will be payable in _____successive monthly installments, each of $_____(9)_____, commencing on the _____day of _____, 19____, and on the same date of each calendar month thereafter until paid in full, at the offices of the (10) JOHN DOE FINANCE COMPANY, NASHVILLE, TENNESSEE.

(9) Are all the payments equal or is there a larger last payment? _____

(10) To whom payments are made and address? _____

(11) Type, amount, and description of securities held _____

(12) Credit Life Insurance premiums? _____

(13) Penalties for pre-payment or paying off entirely? _____

TO WHAT HAVE YOU AGREED? ..... KNOW THE FINE PRINT OF A CREDIT CONTRACT

I have received from and purchased of "X" Furniture Company, Seller, the personal property above described, for which I agree to pay the sum of $53.53 cash and $720.00 in 12 installments of $60.00 per month, commencing one month hereafter until the full purchase price of $720.00 is paid.

BELONGS TO SELLER UNTIL FULLY PAID.

The title thereto shall remain in Seller until the full purchase price thereof shall have been paid as herein provided, and when the same shall be paid and all other conditions hereof fully performed without default, then, and not until then, the title thereto shall pass to me.

MISS A PAYMENT-- ENTIRE BALANCE DUE.

It is understood and agreed that time is of the essence of this contract and upon my failure to pay any installment when due the Seller may, at its option, declare the entire balance due and collectable at once.

MISS A PAYMENT-- SELLER CAN REPOSSESS WITHOUT DEMAND OR NOTICE.

In event of default in payment of any installment when due, or if I violate any condition of this contract, then and in such case my right to the possession of said property and each article thereof shall at once cease and the Seller shall forthwith become entitled to take immediate possession of all or any part of said property, wherever the same may be, without demand or notice.

YOU RELEASE CLAIMS FOR DAMAGES THAT MIGHT ARISE THROUGH REPOSSESSION.

I hereby release

and waive any and all claims and damages that might arise to be done by the Seller, its agents or employees, in or about such re-taking and further agree, in consideration of this agreement, that in case of default in any or all installments hereof the Seller, in addition to re-taking such property, may retain all sums paid by me as compensation for the use of such articles up to the time of such default and as liquidated damages for wear and tear upon said property.

SELLER RETAINS ALL PAYMENTS MADE.

SELLER MAY SELL AT PUBLIC OR PRIVATE AUCTION.

Seller may repossess said property and sell the same at public or private sale and credit this contract with such amount as may be received from the sale of said property, less the expense incurred in re-taking and selling the same.

SMALLER PAYMENTS MAY BE ACCEPTED ONE TIME, NOT NECESSARILY ANOTHER.

It is further agreed that smaller payments than those provided herewith may be accepted by Seller without waiving any of its rights and that a waiver expressed or implied of any delay, breach or default, shall not be deemed a waiver of forfeiture of any subsequent delay, breach or default, and the acceptance of any payment after the same has become due shall not be contrued as a waiver of the terms of payment on the part of Seller.

ALL GOODS PRESENTLY OWED FOR OR BOUGHT IN FUTURE, SUBJECT TO CLAIM UNTIL BALANCE IS ZERO.

In consideration of the Seller placing in my possession and subject to my use the personal property hereinbefore described, I agree that the terms of this agreement shall apply to all goods heretofore received by me from Seller or any goods which I may purchase hereafter upon which there remains an unpaid balance,

WITNESS my hand and seal, this _____day

of _____, 19___.

Executed in the presence of: _____

_____ _____

NOTARY PUBLIC

REMEMBER - READ AND UNDERSTAND BEFORE YOU SIGN...LOOK AT YOUR APR.....

DON'T be rushed into signing. Take time to think it over.

DON'T sign a contract that has blank spaces.

DON'T accept oral agreements. Get it in writing.

DON'T put new merchandise on old, existing contract.

DON'T borrow money or refinance an existing loan. Penalties are costly.

The TRUTH-IN-LENDING law applies to everyone who extends credit to individuals for personal, family, household, or agricultural purposes. This means banks, credit unions, savings and loan associations, retail stores, credit card companies, auto dealers, finance companies, and mortgage bankers. It includes such people as doctors, dentists, plumbers, and electricians--anybody, in fact, who regularly extends credit.

THE LENDER'S RIGHTS IF HIS CUSTOMER DEFAULTS

The contract or note may provide that if payments are not made as agreed upon, and if he thinks it necessary, the merchant or lender may repossess (or take back) the purchases or security involved. No reputable merchant or lender wants to do this because the expense of repossessing is an added loss to him. In most states, it requires legal formalities. Ordinarily, if the reasons for failure to pay are justifiable and both sides think payments can be resumed shortly, or that the customer can meet a series of smaller payments satisfactorily, an agreement that allows the goods to remain in his hands can be reached called a "Slow Pay" agreement. Contract terms often are rewritten or set aside temporarily if the customer is cooperative and shows earnest interest in seeing that the obligation is paid out.

WHAT ARE THE CUSTOMER'S RIGHTS?

What are our rights in the repossession process? According to law in most states, the merchant or lender is obligated to put up for sale and seek a fair price for property he has taken back from a buyer. If he sells the product for more than enough to pay the balance of our account, usually he is obligated to repay us the difference. Everyone knows, however, that second-hand prices cannot always be counted on, and nine times out of ten, the forced sale may not bring enough to pay off the balance.

It is possible that you will be liable for the difference. This depends on the law of the state where you live or where the transaction took place. Many businessmen and lenders chalk off this difference as their own loss, if they are convinced of your good faith and sincere intentions. Almost all would rather see their customers back on their feet financially and able to do business with them again. But the possible problem shows how important it is to choose carefully those with whom to do business, just as the stores and lenders must be careful to know their customers.

Here again remember the rules of good buymanship. Whenever it is necessary to give up merchandise because one cannot meet the payments in a family emergency, keep in touch and show good faith. Go back and see the merchant, banker, or loan company once in a while. Talk over your problem; and if you are making progress, explain the reason you expect soon to be in shape to do business again.

This is the secret of handling the very difficult emergency so that before long the unfortunate situation has righted itself and credit standing again is reestablished. The merchant, if treated this way, realizes you are substantial and under reasonable circumstances, entirely credit worthy. Indeed, if you really want the articles you have returned, often the merchant will hold them for you a number of months, if you handle the situation with care.

This is a secret of all successful businessmen; bankers and industrialists

have learned. It is one of the principal secrets of their own success, Most successful businessmen have gone through financial difficulties and understand family emergencies. Take these successful people into your confidence when you deal with them.

SUPPOSE REPOSSESSION OR GARNISHMENT SEEMS THE ONLY COURSE

It doesn't happen often, but family emergencies are sometimes so great that a complete reversal of plan is the only solution. Here we talk of a circumstance so difficult to manage that it will not help to rewrite the note or contract or rearrange the installment payments; so great that the merchant or lender and the customer, too, feel it is best to arrange for repossession.

To arrange for the return of the goods is a business-like procedure in an emergency. To hide out and force the creditor to repossess without working with him, is costly to our hopes for credit standing later when the emergency is past.

In each lifetime unusual circumstances do beset us. Some of these we cannot surmount, some are too big for us at the moment. It hurts to lose a product when we have paid money on it, but we must remember also that we have had some use of it. Nor can a merchant or lender of any substance make a profit on repossessing goods from us. So repossession is a bad deal for both. Nevertheless, sometimes it is the only way out. The intelligent thing to do in such situations is to arrange a voluntary return of goods and not force the creditor to "repossess." This leaves our credit in better condition for the future when our emergency situation has passed.

GARNISHMENT

The Truth-In-Lending law places restrictions on garnishments. The consumer protection law prohibits firing an employee for one garnishment. (Enforcement by Sec. of Labor) Also, the law limits the amount that can be garnished to 25% of weekly earnings.

RIGHT FOR RESCISSION

The Truth-In-Lending law states that if you sign a contract which gives the seller the right to put a lien on your home, you may have the right to cancel it before 3 business days if you change your mind. All you have to do is sign and date one of the two copies of the notice of recission, which he must leave with you, and return it to him before the 3 days are over. Sunday and certain holidays do not count as business days. Saturday is considered as a business day. USE CERTIFIED MAIL... It's inexpensive and gives you a record.

For home solicitations for sale of goods and services: You have 24 hours to cancel the contract.

NOTE: See "LEGAL" section for additional information on laws pertaining to credit.

SOME CREDIT LANGUAGE YOU SHOULD KNOW. . . .

ASSET--anything of value that is owned.

BALANCE--the amount still owed on a credit account or cash loan.

CHATTEL MORTGAGE--an agreement in which you sign something you own as proof of payment.

CO-SIGNGER--a co-maker

CREDIT CONTRACT--an agreement between borrower and lender tells the amount owed and how it is to be paid.

CREDIT INSURANCE--a policy that pays what you owe in event of your death.

FINANCE CHARGE--total fees for services, insurance (if any) and interest, added to the original loan.

GARNISHMENT--action taken in court to order debtor's employer to pay some part of employee's wages in settlement of debt.

INTEREST--money charged by the seller for use of credit (usually expressed as a percentage rate).

LIABILITIES--total that is owed; opposite of "ASSET".

NET WORTH--ASSETS minus LIABILITIES.

PRINCIPAL--the initial amount of a loan.

WAGE ASSIGNMENT--signed agreement which allows the creditor to collect part of your wages if you do not pay.

WAIVER--your statement giving up all rights or claims.

EDUCATION

Problems of the Elementary School Student

Clothing. Parents with children in school may face the problem of supplying the day to day or season to season clothing that a child needs to stay in school. One resource for this need is to contact your local welfare agency to inquire about possible clothing they may have available.

Free lunch program. Also, the problem of the school lunch may be solved by a call to your child's principal (or a visit with the principal after the P.T.A. meeting) for information on the free lunch program at your child's school.

The High School Student

Most high school students express the desire for money. Specifically, many want the independence and responsibility of a part-time job to earn money for their own clothing and entertainment.

Some "work-study" programs have been initiated especially for finding these students a job. See the high school counselor for information on part-time work opportunities.

Preschool

Many communities offer daycare facilities for preschool aged children of working parents. Some of the daycare centers may be limited to parents according to their financial status. A list of available centers may be obtained from your local Council of Community Services or a similar type agency. Also, your local County office of the Department of Public Welfare will have this information. Some of the daycare facilities provide after school care for older children.

Higher Education

Many colleges and universities have a Coordinator of Financial Aid to assist students with information concerning available financial assistance. Among the sources currently available are loans, grants, scholarships and student employment

programs. Many times the student's financial need is the determining source of eligibility. Most colleges and universities utilize the financial aid services of the American College Testing Program or the College Scholarship Service to determine the student's financial need. Some scholarships, however, are awarded on the basis of academic achievement. Among the more common forms of assistance are:

Loans

National Direct (Defense) Student Loan (NDSL)

The National Direct Student Loan Program provides long term low interest loans to students enrolled at least half time in a qualified post-secondary educational institution. Students must complete financial aid application and the appropriate financial statement.

Financial need is the major factor in determining eligibility for this loan program. An eligible undergraduate student may borrow up to a maximum of $2,500 in an academic year and to a maximum total loan of $5,000 in undergraduate school. An eligible graduate student may borrow up to a maximum total loan of $10,000 including any undergraduate loans. Interest on National Direct Student Loans is three percent annually on the unpaid balance, beginning nine months after graduation or when the recipient of the loan ceases to be at least a half-time student, the maximum repayment period being ten years.

Repayment may be deferred while the borrower is enrolled as at least a half-tire student at an acredited institution of higher learning or for a period of three years if he or she is serving as a member in the armed forces of the United States, Peace Corps, or Vista. Borrowers who teach full time after graduation in a school designated as having a high concentration of students from low income families, or who teach the handicapped, may apply for partial cancellation of their loan for each year of teaching service.

Nursing Student Loans

The purpose of this loan program is to assist fulltime students who need financial assistance to pursue a course of study leading to a two-year Associate of Arts degree in Nursing or a Bachelor of Science Degree in Nursing.

To be eligible, the student must be a citizen of the United States, enrolled in the A.A. or B.S. nursing program, and show a need for such funds.

The maximum nursing loan a student may receive is $2,500 per academic year, not to exceed the amount of the student's financial need. Total amount of a student's loan for all years may not exceed $10,000. Interest on the nursing student loan is three percent annually on the unpaid balance, beginning nine months after graduation or withdrawal from the associate of Arts Nursing Program; the maximum repayment period is ten years.

Repayment may be deferred up to three years during periods of active duty as a member of a uniformed service, or as a volunteer under the Peace Corps Act. Interest does not accrue during periods of deferment.

Borrowers may cancel up to 85 percent of their loan for full-time employment as a professional nurse in any public or other non-profit private institution, at the rate of 15 percent of the amount of such loan (plus interest) that was unpaid on the first day of such employment for each of the first, second, and third complete years the borrower engages in such employment, and 20 percent of such amount (plus interest) for each complete fourth and fifth year that the borrower engages in such employment.

A financial aid application and the appropriate financial statement are required to be considered for this type of aid.

Tennessee Educational Loan Program

The Tennessee Assistance Corporation, through participation agreements with lending institutions, makes long-term personal loans to students to help pay educational expenses. A student must have been a Tennessee resident for for one year prior to entrance in the University. He must be admitted to, or

in regular full-time attendance and in good standing at the University. Interest on such loans may be paid by the Federal Government if the family can demonstrate financial need or if the adjusted family income is less than $15,000. Adjusted family income = (GROSS INCOME -(10% of gross income + $750 x total number in family).

During the repayment period, which begins no less than nine months after graduation or withdrawal from the University, the student pays seven percent simple interest. In no case may the loan exceed $2,500 per student per year. The maximum amount of a guaranteed loan shall not exceed $7,500 per undergraduate or $10,000 per graduate student. Complete information is available at most Tennessee banks and credit unions, the college financial aid offices, or by writing the Tennessee Student Assistance Corporation, 707 Main St., Nashville, TN 37206.

Grants

Supplemental Educational Opportunity Grants (SEOG)

This is a program of direct grants available to entering freshmen, transfer, and enrolled undergraduate students with exceptional financial need.

The amount of financial assistance a student may receive depends upon need--taking into account the student's financial resources, those of his/her parents and the costs of attending the University. The student must also demonstrate "academic or creative promise." Eligible students accepted for enrollment or currently enrolled in good standing may receive a Supplemental Educational Opportunity Grant. Grants may be extended for a maximum of 12 quarters. A Supplemental Educational Opportunity Grant must be matched dollar for dollar by other sources of financial aid, i.e., scholarships, loans, and/or earning from college work-study.

A Supplemental Educational Opportunity Grant cannot be less than $200 or more than $1,500 and cannot exceed one-half of the student's need for assistance. The above regulations and provisions of the Supplemental Educational Opportunity

Grant Program are subject to change by federal legislative action. Students must complete the financial aid application and appropriate needs statement.

Basic Educational Opportunity Grant (BEOG)

The purpose of the Basic Educational Opportunity Grant Program is to assist in making available the benefits of post-secondary education to qualified students in institutions of higher education. The program is administered by the U.S. Office of Education or a specified agency contracting with the Office of Education. Applications are available in high schools, post-secondary educational institutions, post offices and other locations easily accessible to students. The student submits his application for determination of family contribution to the specified agency contracting with Office of Education. The contractor notifies the student of his eligibility for the grant. The student forwards the copy of the notification form to the institution which he/she plans to attend. The institution will then determine the amount of the basic grant for which the student is eligible and notify the student.

The grants may range up to $1,400 but cannot exceed more than one-half of the cost of education at the institution the student plans to attend. For information write to U.S. Office of Education, Washington, D.C. 20202.

Tennessee Student Assistance Award

The Tennessee Student Assistance Award is designed to further the opportunity for higher education for residents of the state. Student assistance awards may range from a minimum of one hundred dollars ($100) to a maximum of one thousand two hundred dollars ($1,200), dependent upon the need of the student and the amount of tuition and mandatory fees assessed by the institution. Students are free to choose the educational institution in Tennessee, public or private, which they wish to attend, provided the college or university is accredited by the Southern Association of College and Schools. Applications are available from high school counselors or financial aid administrators at post-secondary

institutions, or by contacting the Tennessee Student Assistance Corporation, 707 Main St., Nashville, TN 37206.

Law Enforcement Grants

The Law Enforcement Education Program (LEEP) provides grants up to $250 per quarter to fulltime employees of a publicly funded police or correction agency, or the courts.

To qualify, a student must be enrolled on a full or part-time basis in a graduate or undergraduate program at a school participating in this grant program. The courses he studies must be creditable toward a degree or certificate in areas related to law enforcement or suitable for a person employed in law enforcement. He must agree to continue work in the law enforcement field for two years after completing courses paid for under a grant. His employer must certify that he is a full-time law enforcement officer and that his studies will benefit job performance.

Grant funds may be used only to pay the cost of tuition, fees, not to exceed the $250 per quarter maximum.

A student must sign a promissory note agreeing to remain in the field of law enforcement for two years. If he fails to honor this commitment, he is obligated to repay the full amount of the grant in accordance with terms prescribed for law enforcement loans.

Priority in awarding grants is given to officers of local and state law enforcement agencies.

Army ROTC Scholarships

The United States Army offers financial assistance in the form of four-, three-, two-, and one-year scholarships to qualified men and women on a merit basis. Each scholarship pays for tuition, books, lab fees, and related academic expenses. In addition, subsistence allowance of approximately $900 per year is provided. Application for the four-year scholarship must be requested by November

1 to insure full consideration. All application forms may be obtained by writing to Army ROTC, P.O. Box 12703, Philedelphia, Pennsylvania 19134.

GI Benefits

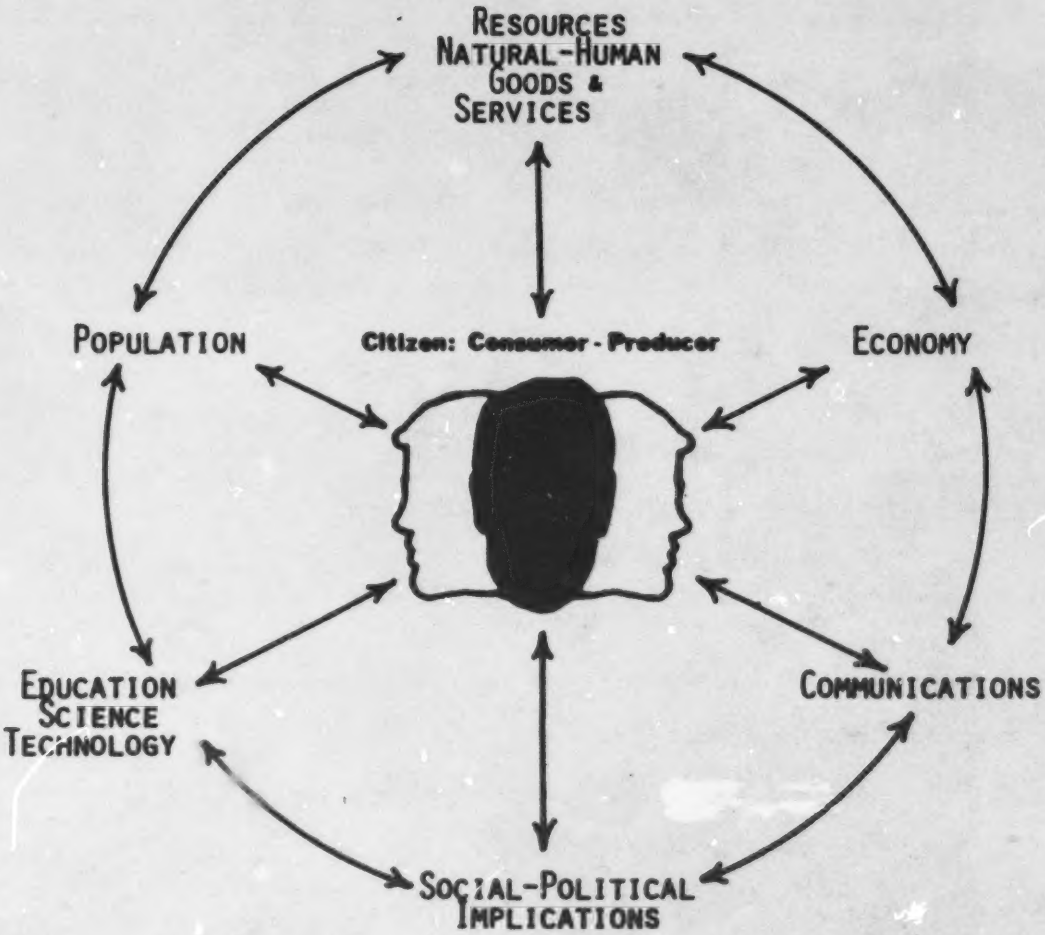
If you are a veteran, you may choose this time to enroll in school. The new Tennessee law states that a veteran cannot be denied unemployment benefits solely because he is enrolled in school. A person with 3 dependents can receive up to $388 a month GI benefits (1 dependent - $321; 2 dependents - $366; $22 per month per additional dependent). To receive this, the school, college, or university must be approved - (See Veterans Affairs Office at institution of your choice.)

College Work-Study Program

Many school participate in the College Work-Study Program, a federal government project to make part-time employment opportunities available to student. To be eligible, a student must be accepted for full time or part-time enrollment or be in good standing if currently enrolled. Eligibility further depends upon need for assistance since federal regulations require preference be given to students from low-income families.

The student may work up to a maximum of 20 hours per week while attending classes. During vacation periods, including summers, he may work 40 hours per week with the approval of the Financial Aids Office.

The Financial Aids Office, in making work-study awards, attempts to place a student in an area related to his education and interests. In addition to providing financial assistance, the work-study program is designed to help the student develop a sense of responsibility and accomplishment as well as certain mechanical skills.



THE KEY TO A FREE ECONOMIC SOCIETY

IS THE INDIVIDUAL.

FUNERALS

Where To Get Information On Low-Cost Funerals

Memorial Societies

Memorial societies are peoples' cooperative, non-profit organizations dedicated to simplicity, dignity and economy in funerals. These are usually founded by churches or ministerial associations on an open, unlimited membership basis. A lifetime fee ($10-$15) enables one to receive guidance in advanced planning for any type of burial. For more information: East Tennessee Memorial Society, Box 10507 (Knoxville-Oak Ridge); Memphis Memorial Society, Station 17, Nashville, 37232; Continental Association of Funeral and Memorial Societies, Inc., Suite 1100, 1828 L Street, NW, Washington, D.C., 20036.

Kinds Of Funeral Arrangements

Burial

The funeral director picks up the body, provides a modest casket and grave liner (if required by the cemetery), arranges the necessary legal papers, makes the arrangements with the cemetery, and transports the body to the cemetery. Survivors may arrange for embalming and viewing if they wish.

Cremation

This is the burning of the body to ashes. It's usually much cheaper than a burial. The funeral director picks up the body, provides a simple but suitable container, arranges the required legal papers and transports the body to the crematory. Survivors may arrange for embalming and viewing if they wish. Ashes may be returned to the family, buried in a small plot, or left for disposition by the crematory.

Open Casket Funerals

They are much more expensive than closed casket funerals and there is nothing in religion or tradition that says you have to have them.

Cemeteries And Burial Plots

Here are some facts to remember:

. . . . Top-and-bottom burial for two caskets in one grave costs less than two side-by-side graves.

. . . . You should not buy burial plots too early in life. They are not good investments.

. . . . Veterans and servicemen and their wives can be buried in plots in national cemeteries. These lots are free.

. . . . The cemetery may have a lot of rules (like what kind of marker you have to buy). Find out what these rules are. They can make a big money difference to you.

Leaving Your Body To Science

A gift of your body, or body parts can be used for the advancement of medical science or enriching another persons life. It can also mean a very low-cost funeral.

For information contact:

. . . . Anatomy Department:
Meharry Medical College, Nashville, TN 37208
(615) 327-6308.
The University of Tenneseee - Center for the Health Sciences
Memphis, TN 38103
(901) 528-5965.
Vanderbilt Medical School, Nashville, TN
(615) 322-2134.

. . . . Local Dental Schools

. . . . The Tissue Bank, U. S. Naval Medical School, NNMC, Bethesda, Maryland

You may also make special arrangements:

. . . . Eye banks -- For more information, contact your local eye bank.

. . . . Temporal Bone Banks -- For information, write: The Deafness Research Foundation, 366 Madison Avenue, New York, N.Y. 10016

. . . . National Pituitary Agency, 210 Fayette Street, Baltimore, Maryland 10016

. . . . Human Growth Foundation, 307 Fifth Avenue, New York, N. Y. 10016

The Laws

By law you need a death certificate. You generally don't need: Embalming, a vault, a fancy air-tight casket.

Insurance And Assistance

Here are some of the facts. Industrial insurance (50¢ or $1. a week) is a bad buy. Buy regular insurance instead.

. . . . Social security may pay up to $255 as funeral benefits.

. . . . Veteran's benefits may come to another $250.

. . . . Members of the armed services may get $400 or more.

. . . . Some unions and other groups have funeral benefits.

Low-Cost Alternatives

Here are some of the good bets.

. . . . Memorial societies may be your best buy.

. . . . Leaving your body to science--the cheapest of them all. May be completely free.

Dealing With Funeral Directors

Here are some ways to protect yourself.

. . . . Plan and shop before someone dies.

. . . . Resist pressure.

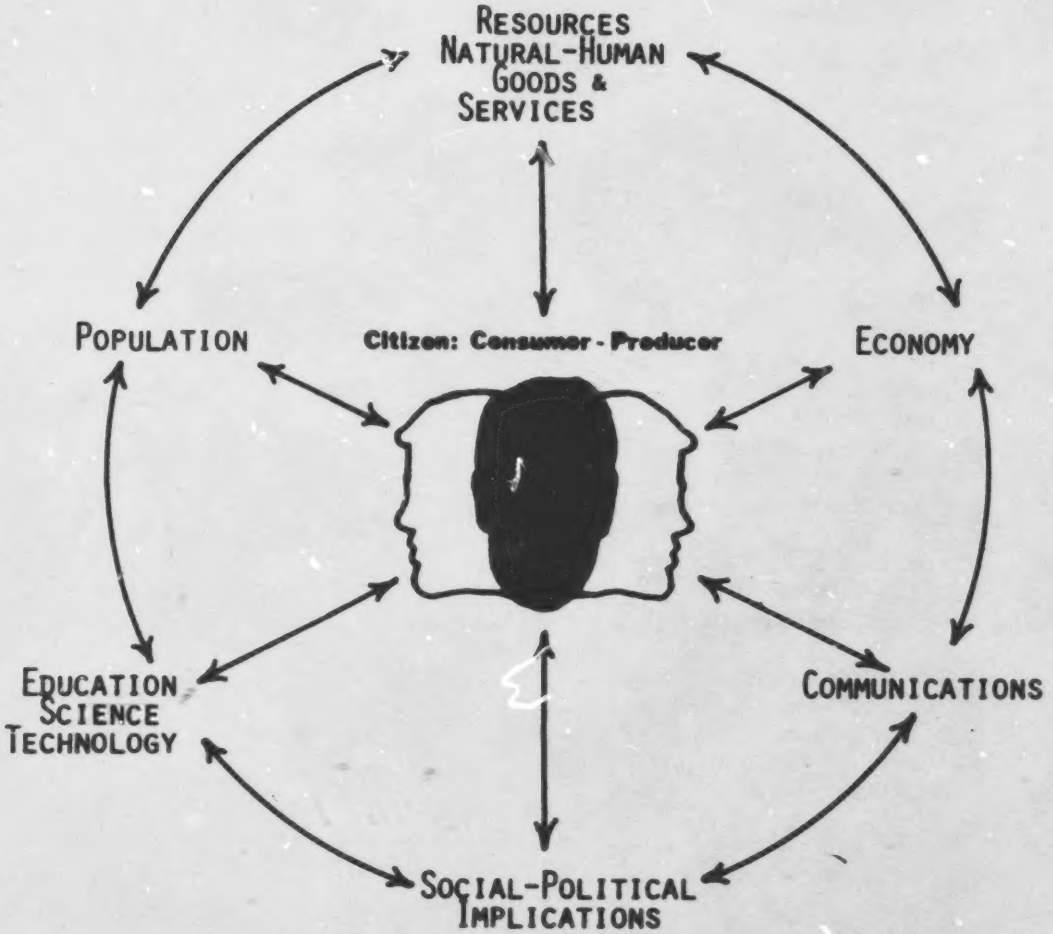
. . . . Get an itemized list, with prices.

. . . . Tell the funeral director what you want and don't want.

. . . . Read any papers before you sign.

. . . . Don't run up a big debt.

See chapter on "Legal" for more material pertaining to wills, record keeping, and other information.



THE KEY TO A FREE ECONOMIC SOCIETY

IS THE INDIVIDUAL.

HOME FURNISHINGS

Possessions should be carefully selected to meet needs most important to you. Durable, attractive furnishings appropriate to the needs of the family will give greatest satisfaction. Values differ from family to family. An active family with energetic young children may consider furnishings expendable and expect them to wear out and be replaced. Therefore, they buy for the short term. Another family may buy the best they can afford and place great emphasis upon quality, appearance, and care. These furnishings may even be passed on to future generations. Your own family's values will determine whether comfort, durability, appearance, cost, or ease of maintenance should receive first priority.

Furniture

General Considerations in Preparing to Shop for Furniture

Function. What use will be made of the furniture? Is it primarily for comfort or for beauty? Will it receive much or little wear? Does it need to be multi-purpose; e.g., bed and couch, chair for visiting and eating, or table for working and dining?

Information. Where is accurate, unbiased information available on the marks of quality materials and construction? Read library books, sales catalogs, consumers' magazines, newspaper advertisements, and U.S. government publications (available from your county home agent or the U.S. Superintendent of Documents, Washington, D.C. 20402). Talk to acquaintances and furniture salesmen.

Style and Design. What is the size of the room where the furniture will be placed? What are the other furnishings like? What is suitable to your lifestyle? Know what styles are available: period, Early American, contemporary, casual, etc. Good modern furniture is simple, honest, and planned with a direct purpose and use of material without extra decoration.

Suitability. Each piece of furniture should relate well to the objects around it. Observe the things in the house and think about the relationship of furnishings to each other. There should be proper proportion, balance, emphasis, and rhythm. What colors will harmonize with walls, woodwork, floors, curtains, and other furniture?

Price. What is a reasonable price for the item? What is the maximum that your budget will allow? Should credit be considered, or is it worth the cost? Watch for sales--anniversary, warehouse, and promotional. The best months for seasonal sales are January, February, July, and August. Would used, unfinished, or rented furniture be satisfactory? Used furniture may be obtained from the Salvation Army, Goodwill Industries, used furniture stores, unclaimed freight warehouses, classified advertisements in the newspaper, auctions, or friends and relatives. Used furniture may be a bargain if you can accurately judge quality of workmanship and materials. In deciding whether a used or unfinished item is worth the money, consider how much repair and/or refinishing is needed, if any. The cost of time and materials required to make the furniture useable should be added to the price charged. Time should be counted at whatever price you feel your free time is worth--unless you enjoy furniture restoration as a hobby.

Some pieces of furniture may be rented. The most-rented pieces are musical instruments, such as pianos or organs. When one is not sure whether he will learn to play an instrument or will spend time enjoying it, a rent-to-own plan is wise. Pictures may be rented from libraries. Roll-away beds may be rented when company is coming. When you move into an unfurnished home and do not have funds to buy everything that is needed at once, you may rent rooms of furniture. Relatives and friends may have castoffs stored in attic, garage, or spare room that they will lend you.

Dealer. Which dealers are reputable? Are any known to use high-pressure sales tactics? Do any "bait and switch"? How far can you afford to travel to shop for furniture? Can it be ordered by mail? What credit terms are available?

What stores deliver, and how much does the delivery cost? Where are the salesmen most knowledgeable? What stores have a reputation for guaranteeing satisfaction? The Better Business Bureau will have a record of any complaints that have been filed against businesses, and they will give you this information by telephone. Go to several stores and find a dealer you can trust.

Judging Quality of Materials and Workmanship in Case Goods

Wood. Hardwoods that are used in quality furniture include: mahogany, walnut, cherry, pecan, hickory, oak, birch, and maple. Any of these woods can be darkened with stain, lightened with bleach, or finished in its natural color. Each is strong and has its own distinctive pattern. Though cottonwood, poplar, and gum have little grain pattern, they can be stained to resemble the more expensive hardwoods and may be used in the same piece of furniture. Beware of a label stating "walnut finish." This is not walnut wood, but wood finished to resemble it. Pine is a soft wood used in Early American style furniture, but seldom in fine furniture.

Quality furniture may be solid wood, veneer, or a combination of both, Veneered furniture may be solid wood if water- and mold-resistant glue is applied properly. In veneer, there should be an odd number of layers, with every other layer having grain going in the opposite direction so that wood and veneer are balanced. Thus, veneer is more stable and less likely to warp than solid wood. Also, it is possible in veneer to slice burls or logs at angles and arcs to get an unusually beautiful grain.

Grain. The fiber direction of wood is called the grain. Furniture parts that require strength should be cut on straight grain; not cross-grain or sloping grain. Drawer fronts, tabletops, and mirror frames should have straight grain so that they will not warp with changes in humidity.

Joints. Properly-made dovetail joints are very strong and will not come apart without breaking the wood. They are used in joining chair arms, bedposts, table legs, drawer corners, and anywhere two boards join at right angles.

Corner joints are often backed up with hidden metal braces or wooden glue blocks, which should fit tightly on all sides. Mortise-and-tenon joints are also strong and serve purposes similar to dovetail joints. The weaker joints are butt, rabbeted, and tongue-and-groove. They are suitable for inserting side and back panels of dressers and for gluing furniture core material. You may have to ask the salesman for a factory construction in order to look at some joints because most joints are hidden on the finished piece.

Finish. Synthetic resin, oil, varnish, and lacquer are all good finishes if properly applied. The finish should be evenly applied on all surfaces. Ask if the finish is resistant to water, stains, scratches, and extreme temperatures. This is especially important on table tops. Some type of finish should be on all exposed wooden parts--even underneath and inside drawers--because moisture causes wood to swell, and lack of moisture causes it to shrink. If wood swells unevenly, parts may warp, glue joints will come apart, and wood will split.

Construction. Judge construction by looking for clean lines, smooth edges and corners, and lack of protrusions or roughness. Furniture should rest solidly on the floor. Examine the piece in good light at about a 30° angle to detect irregularities in finish or construction. The best furniture is joined with glue and screws, not nails. Glue joints should be tight; no gaps. Screws should be tight. Drawer pulls and any other hardware should be tight and straight.

Judging Quality of Upholstered Furniture

Fabric. For beauty and durability, fabric should be closely woven. Fabric with more threads per inch is more resistant to abrasion, raveling, stretching, and wrinkling. Loosely woven fabric tends to snag, sag, stretch, and wear through. Strength and firmness of weave may be tested by holding fabric to the light. You might also pull it lengthwise, then crosswise, to see how much "give" it has. Pile fabrics are more likely to stain than other types. Knit fabrics conform well to [illegible] and are wrinkle-resistant, but they sometimes snag and run. Vinyl plastics are durable and easy to clean, but they tend to feel hot in summer and cold in

winter. If a backing is applied, nonwoven fabrics look and feel softer and more comfortable. Cotton, rayon, and acetate are used as upholstery fabrics because they are inexpensive and easily dyed. However, they are less durable than other fabrics and more subject to stains. Acrylic, nylon, olefin, and polyester are all resistant to stains and resilient. Further, all are resistant to fading from the sun. All are strong and resistant to abrasion except acrylic.

Frame. Seasoned, knot-free, kiln-dried hardwood is best for furniture frames. A good frame will have the same quality characteristics as those given for case goods.

Seat and back construction. Coil-shaped springs are better than the zigzag type. Insulation materials of rubberized animal hair and sisal are put over the springs to keep padding material in place and to separate it from the springs. Cellulose and cotton are used for padding in inexpensive furniture, while urethane foam and polyester fiberfill are used in better furniture. Padding should be thick enough that the frame cannot be felt. Muslin may be added over the padding before upholstering. For cushion stuffing, urethane foam and latex foam are about equally durable, but the latter is more resilient.

Hardware. Mechanisms in convertible sofas or reclining chairs should operate smoothly quietly, and without strain. They should not be positioned so as to tear bedding or cover.

Tests for Furniture

1. Does it wobble when the base is firmly on the floor and you put your hand on top and try to rock it?

2. Does it feel sturdy?

3. Do all movable parts operate properly? Are you able to easily open and close an expandable dining room table or a sleeper?

4. Are all joints fitted tightly?

5. Is the finish smooth and durable?

6. Do drawers and doors fit snugly and flush with the furniture surface?

7. Do drawers glide smoothly? Are there dust-proof panels between drawers?

8. Are knobs, pulls, and handles attached firmly? Are they easy to grasp? Do they suit the furniture style?

9. Have inside surfaces been finished? If the furniture must stand away from the wall, are the sides and back finished like the top?

10. Are the arms comfortable?

11. Is the height, width, depth, and slant of the seat and back good for your family?

Spend some time in a furniture repair shop and see what is being fixed. Talk to the repairman to learn about common furniture faults. Simple, well-made furniture may be a better buy than a more elaborate piece because you are buying better construction features rather than fancy finished and showy hardware.

Look for the manufacturers name on the furniture. He should be able to supply you with a lost drawer pull, mirror replacement, or extra leg.

Judging Quality of Bedding

Since about one-third of your life will be spent in bed, buy the best quality mattress and springs you can afford.

Mattresses may be innerspring or latex or urethane foam. Innerspring mattresses may have between 180 and 850 coil springs. About 250 to 300 coils are needed for proper support. More important than number is the thickness of coil wire, quality of steel, and shape and size of coils. You should not be able to feel the springs through the padding of a mattress. Borders of the mattress should be prebuilt or reinforced so that sitting on the bed will not break them down and cause the bed to sag. Foam mattresses should be of high density and 4 to 6 inches thick. These are as comfortable and durable as innerspring. Avoid shredded or soft foam.

Handles are needed so that the mattress can be moved or turned. Ventilators on each side allow for air circulation. Ticking should be durable. Stitching should be neat and firm.

Lie down on a mattress before buying it. Every part of your body should be equally supported; nowhere should it sag. Ask to see a cross section of the mattress you intend to buy.

Bedsprings should be specifically designed for the mattress, form the foundation for it, and provide one-third or more of the resilience. Boxsprings should be securely tied, mounted on a wood frame, padded, and covered.

Bed sizes include twin (38" wide), full (53"), queen (60"), and king (76"). All except the king are 75 inches long, but can be purchased 5 inches longer. A king-sized mattress is normally 80 inches long, but it may be bought in the longer 84-inch length.

Floors

Rugs, Carpeting, and Padding

Rugs are usually room-size or smaller and may be square, oval, round, or oblong. Carpeting is usually cut to the size of the room and installed wall-to-wall. Go to well-known, reliable stores and compare products, prices, services, and information. Fantastically low prices are suspect. However, sometimes prices are reduced because of discontinued color or pattern, mill ends, or bulk buying.

The quality of rugs and carpets is dependent upon pile, backing, and fibers.

Pile. If the pile (yarn) is closely woven in both directions, the carpet is of good quality and will wear well. Bend the carpet sample back and notice how much backing can be seen. Large gaps indicate low quality and little durability. Depth of pile is a matter of style and preference. Short pile may wear as well as long pile. For an informal setting, tweeds and shags are good. More formal designs are cut pile and sculptured patterns. Deep piles may show footprints.

Backing. The pile is attached to material known as backing. Quality of backing is judged by firmness, resistance to shrinking and buckling, and closeness of weave. Jute is the poorest backing and can be easily identified by its

brown color. Wool or cotton backing is better. Or, the carpet may have a rubber coating on the back that makes the carpet hug the floor and adds to its wearing qualities.

Fiber. Pile is made of various fibers. Quality of fiber is determined by durability, resistance to soil, ease of cleaning, resilience, and appearance. Most common fibers used in carpeting are wool, nylon, acrylic, polyester, and olefin.

Wool is durable, resilient, luxurious, resistant to soil, warm, and easy to clean. It also absorbs noise. The cost is high. Acrylic gives the look and feel of wool at lower cost. Also, a person is less likely to be allergic to acrylic than to wool. Polyester is shinier and less resilient than wool, but it has wool's weight and luxurious feeling. The price is about the same as for acrylic. Nylon is the longest-wearing synthetic fiber. It resists soil, cleans easily, and is tough. Man-made fibers will not mildew, and they resist moths and carpet beetles. If synthetic yarn is chosen, buy the static-free type.

Padding. Padding lengthens the life of a carpet, makes it feel softer, and causes it to be warmer. Padding may be of hair, sponge, foam rubber, or a combination of these. Foam rubber is a good choice where there is danger of dampness or mildew; hair is not.

Care. Rugs and carpets should be vacuumed at least once a week--more often in trafficked areas. Spots and stains should be removed immediately. To save money, one might decide on room-size rugs, rather than wall-to-wall carpeting, because they can be turned to distribute wear and sent out for thorough cleaning.

Considerations in Buying Rugs and Carpets

1. Identify the fibers and the percentage of each, if combined.
2. Examine the type of construction and kind of weave.
3. Determine density of tufts.
4. Consider both appearance and serviceability.
5. Check the rug backing.

Wood

Floorings are most often made of hardwoods--oak or maple. Maple is hard, smooth, and strong. Oak is warm, durable, and beautiful. Softwood flooring is made of southern yellow pine or Douglas fir.

Finish. Hardwood floors have two basic types of finish: penetrating seals and surface coating. Penetrating seals soak into the material and form a bond with the wood. Good wax, well buffed, gives a tough floor with beautiful gloss. Surface coating includes shellac, varnish, polyurethane, epoxy, and amino resin. Shellac is the oldest and cheapest finish, but it does not wear well under heavy traffic. Varnish scratches white, which detracts from the appearance, and will not withstand abuse. Varnish may be used in low-traffic places, such as a bedroom or around a rug.

Plastic finishes (polyurethane, epoxy, and amino resin) are tough, long-wearing, resistant to chemicals, and quick-drying. They also resist scratching and marring. Some are water-proof. Finishing a hall or foyer with plastic costs double or triple that of varnish or shellac, but it is good value.

Floor finish should be applied according to the manufacturer's directions on a surface that has been made as smooth as possible by sanding, dusting, and vacuuming.

Care. For maximum service and beauty, proper maintenance and care are as important as finish. Wood floors should be vacuumed regularly to remove dust and grit, then mopped weekly with a treated dust mop. Wood floors should not be saturated with water, but occasional damp mopping will not harm them. Wax protects the finish. Paste or self-polishing liquid wax wear equally well, but liquid gives a better appearance than paste. Buffing will restore the shine as long as floors have sufficient wax on them.

Resilient Floor Coverings

Linoleum is usually sold in sheets. Sheets are harder to install than tiles, but they are cheaper to buy. Linoleum is available in inlaid, embossed,

and textured patterns, as well as in solid colors. It wears fairly well. Inlaid linoleum has a hard, durable surface which is greaseproof, but it is damaged by cleaning solutions containing alkali. It will rot, if installed on a concrete slab on the ground.

Tile is normally sold in 9 x 9" squares 1/8 inch thick. Kinds of tile include asphalt, vinyl, vinyl asbestos, rubber, and cork. Tile materials are dense and non-absorbent. They have a long life and are easy to maintain. The most expensive material is generally most beautiful and wears longest.

Asphalt is the least expensive and most commonly used tile. Dark colors cost least; patterns are more expensive. Asphalt tile is brittle and breaks easily. If dented, it will not smooth out. Fats and oils cause it to stain and break down.

Vinyl tile is the most costly, most wear-resistant, and easiest to maintain of all the tiles. Sheet vinyl with a layer of vinyl foam is a resilient floor covering which deadens sound and is comfortable to walk on. It is resistant to grease and stains, but is damaged by abrasion and indentation.

Vinyl-asbestos tile is semiflexible and requires a rigid subfloor. It is resistant to grease, oils, alkali, and some acids. It is quiet. Some kinds need very little waxing.

Rubber tile is resilient and has high resistance to indentation. Waxing and buffing are necessary. It is slippery when wet.

No one flooring material is ideally suited to every room in the home. When making a choice, one should consider livability, beauty, durability, maintenance, and cost.

Non-resilient Floor Coverings

Non-resilient flooring includes ceramic, clay, tile, stone, brick, and terrazzo. These are more difficult to install and more expensive than other types of flooring, but they are long-wearing.

Window Treatments

A window should let in controlled light. Too much sunlight coming through a window can be diffused with sheer curtains. A window may be a focal point, center of interest, or a nonfocal point of the room. The kind of window, its location, and its curtain determine its full purpose as a window and its beauty as a background. Most windows are rectangular in shape. Without curtains, the frame creates harsh lines. Styles of curtains and draperies to be selected depend upon the type of window, amount of light desired, view, and style of furnishings. One may choose from draw or stationary draperies and sheer, cafe, or ruffled curtains.

Curtains

Sheer fabrics, such as marquisette, ninon, voile, batiste, and lace, may cover the windows to give a feeling of privacy and filter the light. Polyester fiber is strong and resists the rotting that may be caused by pollution or sunlight. It may be combined with rayon or cotton to give a more opaque fabric. It is easy to clean. Curtains may be used alone or with draperies. Glass fiber resists degradation caused by sunlight and pollutants, but it must be laundered with care by hand because it is damaged by abrasion and may leave glass fibers in the washer.

Curtains must be full enough to be pleasing when hung. A good standard is 100 percent fullness.

Draperies

Heavyweight draperies will shut out all light and give privacy so that blinds are not needed. They may be drawn to keep the house warmer on cold, dreary days and opened on the sunny side of the house to let in warmth on bright days.

Satisfactory fibers for draperies are cotton, acrylic, glass, or blends thereof with polyester, rayon, or acetate. Maintenance will be easier and

cheaper if you choose machine-washable and durable-press finishes. Look for dyes resistant to fading. Lining gives protection against sunlight damage and provides more insulation and light control.

Hardware

Good rods, poles, and tracks will outwear many pairs of curtains and give much satisfaction. The general appearance of a curtain when it is hanging depends upon the fixture that supports it. Buy the sturdiest you can afford. Hardware should be installed before measurements are taken for curtain size.

Cornices and Valances

Cornices and valances conceal curtain hardware. They also protect the tops of curtains or draperies from dust. Valances usually match the curtains under them. They may be scalloped or ruffled. Cornices are usually 4 to 10 inches deep--sufficient to cover the returns of the curtain rod. They may be padded and covered with drapery material or made of wood with various styles of curves for the bottom.

Considerations in Buying Curtains or Draperies

1. Will the fabric fade from sun, pollutants, or laundering?
2. Is the fabric so loosely woven or poorly sewed that it may shrink or stretch?
3. Is the curtain resistant to soil and fire?
4. Will it deteriorate from exposure to sunlight or heat?
5. How does the curtain or drapery hang? Skimpiness and unevenness should be avoided.

Wall Coverings

Wall coverings serve as backgrounds for furniture and furnishings, as well as provide beauty and decorative effects. Some coverings are noise barriers and help to insulate rooms. Color, texture, and design are to be considered in

selecting interior wall coverings.

Characteristics of Wall Coverings

Paint is used as a finish over gypsum board or sheetrock walls; one or two coats may be required. Almost any color is available or can be mixed. Oil-based paints come in flat, semi-gloss, or high-gloss finish. They may be washed. Water-base paint should be at least 50 percent latex solids, specified by weight and not by volume. This paint has good hiding ability.

Paneling made of plywood or pressed wood is available. True plywood paneling is best. Cost varies according to thickness (usually 3/16 inch to 1/4 inch), size, and finish.

Wallpaper may be either water-sensitive or water-resistant. Prices of rolled prints vary with the weight, quality of paper used, complexity of design, and amount manufactured. Water-resistant wall paper is all or part vinyl and is available in plain acrylic, vinyl, foil, or flock. The vinyl is durable, rough, cleanable, and lasts longer than regular wall paper.

Ceramic tile comes in various sizes, designs, and qualities. Decorative tiles are higher in price.

Plaster is a wet-wall construction used mostly in commercial buildings. It is usually painted. Brick or stone is used mostly for decorative walls and fireplace walls.

Costs of Wall Coverings

To save money, painting and papering may be done by the homeowner, following the manufacturer's directions. A room finished with sheetrock and covered with paint would cost about one-third as much as one finished with sheetrock and covered with wall paper. True wood paneling with sheetrock ceiling and painted or stained woodwork costs less than wallpaper, but twice as much as painting. However, paneling is virtually carefree and does not need refinishing as would paint or paper.

No one material is ideally suited to every room in the home. When making a choice in furnishings, consider livability, beauty, durability, maintenance, and cost.

Be sure you are ready.

Have you compared prices? Have you read all the labels? Have you studied all the guarantees? Are there any blanks in your sales contract? Do you understand all terms including total price? Do you trust the salesman, the store, and the manufacturer to stand behind their product?

Watch out.

Keep in mind these facts to get the best value for your dollar spent:

1. Furniture salesmen usually work on commission. The more they sell, the more they make. So some of them will try to pressure you to buy.

2. The prices on the labels and tags. High pressure furniture stores often show high prices on the tags and labels, then they will offer you a cheaper price. They will even have fancy labels made up with high prices. This means the price you are offered may not be a bargain. It may just look that way because of the high price on the tab or label.

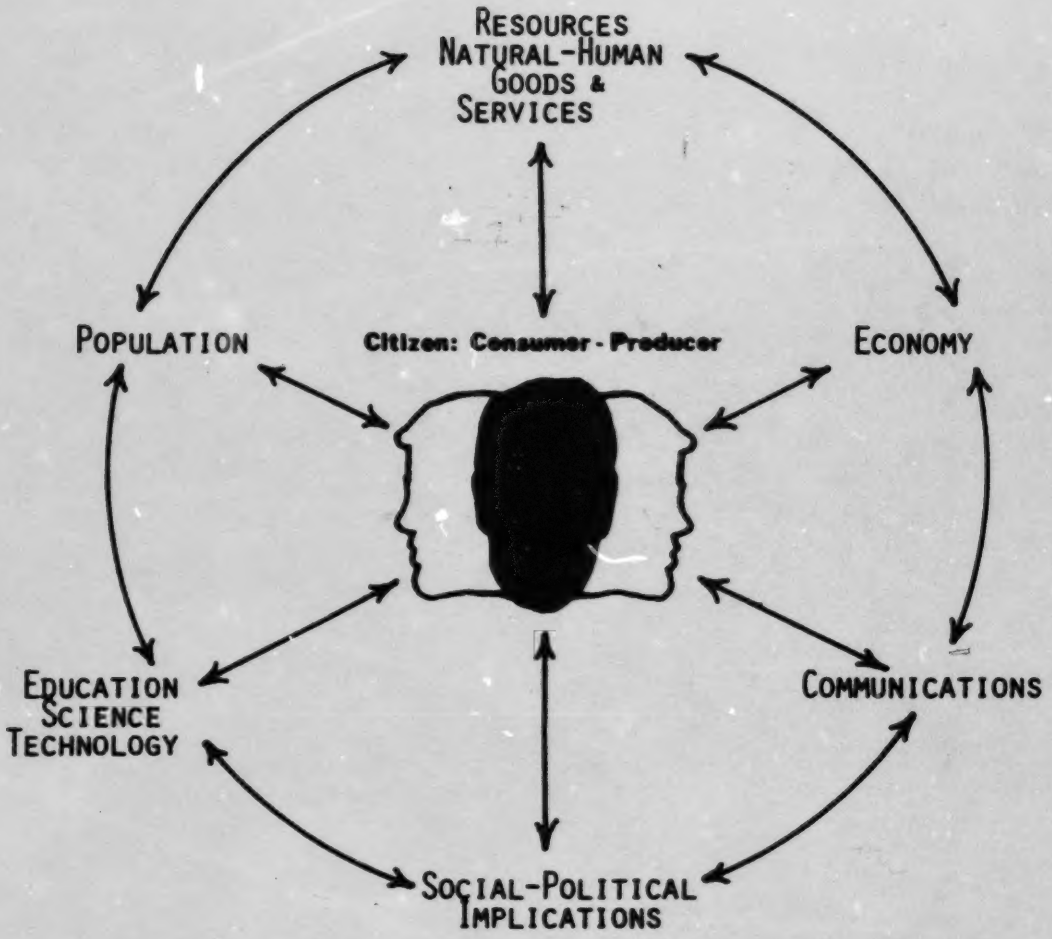
3. Delivery charge. Add it on the furniture price to find the total you will pay. Some stores charge little or nothing for delivery. Other stores make their furniture prices look lower, and then charge a big price for delivery.

4. Don't always trust furniture sales. Furniture stores have sales all the time. Some sales offer good buys. Some don't. It's up to you to find out how good a sale is, and sometimes the sales are very tricky. For example: A high pressure store may advertise furniture very cheap. Then he will use the "bait and switch" method to get you to buy something of a higher price.

5. Watch out for package deals. Sometimes a store tries to sell you a package deal on five or six matched pieces of furniture. This can turn out to be a bad buy. For one thing, your savings may be very small, compared to the

big amount you are spending. There will also be an increased credit charge because of the larger purchase. Buy the pieces one or two at a time.

6. Never add a new purchase to an old (already existing) installment contract.



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HOUSING

The purchase of a home ranks near the top of the list of substantial investments that the consumer makes in his/her lifetime. Invest as wisely as possible.

Saving Energy in the Home

Conserving energy used in home heating and cooling is important to every homeowner since energy rates are increasing rapidly.

Insulation

Proper use of insulation is the most positive and efficient means of conserving energy in the home. There are four key areas that should be well insulated: ceilings, floors, outside walls, and the perimeter of a slab floor on grade.

Insulation materials are light in weight and are produced in four common forms: batts or blankets, loose fill or granulated, rigid boards, and reflective. There are also many types of materials, and some are mistakenly assumed to have more insulating power than they do. Therefore, insulating power of materials cannot be compared by inches of thickness. Reliable standard rating methods have been developed to help you rate various insulation materials.

Effectiveness of insulation is specified in two ways. One is stated as the resistance offered by materials to the flow of heat under known conditions. This "Resistance" is generally designated by the letter "R." The second specification is stated as the amount of heat that will pass through a material or materials under known conditions. This is designated by the letter "C" or "U." The larger the "R" the better the insulating qualities of the material. The smaller the "C" or "U" the better the insulating quality. These designations make it easy to compare costs of insulations. Also, you can determine the amount of insulation required for a desired "R" value for any type of construction.

Amount of insulation to use under present shortages and high costs for heating and cooling is more than ever. Standards most recommended are those in the "All Weather Comfort Standard" prepared by electric power suppliers with the cooperation of material and equipment manufacturers. This standard specifies these insulation "R" values:

Ceiling - R19
Walls - R11
Floors - R13

Any amount of insulation used will usually pay for itself in a few years by allowing one to use a smaller amount of fuel and less costly heating and cooling equipment.

Features of insulation materials that also influence choice are:

1. Structural requirements. (These must be considered when you want to use rigid insulation for sheathing, plaster base, interior ceiling or wall finish, and roof decks.)

2. Fire resistance.

3. Effects of moisture. (A moisture-resistant material must be used for perimeter insulation under concrete slabs. If insulation material become saturated, the value is almost nil.)

4. Vermin resistance.

When buying insulation, follow these suggestions:

1. Know the insulation value.

2. Make cost comparisons on the basis of cost per unit of resistance. (Divide cost per square foot by "R" value.)

3. Follow the manufacturer's directions for installation.

4. Have adequate ventilation in attic and crawl space for best use of insulation in these areas.

Storm Windows and Doors

Your annual energy bill can be cut considerably if you install storm windows

and doors. Various patented double-glass windows or "insulating glass" give about the same results as storm windows.

Weather Stripping

Weather stripping around doors and windows reduces heat loss. A quarter-inch gap at the bottom of a door has about the same chilling effect as a nine-inch square hole in the wall. Use a burning candle or the back of your hand to sense the amount of air coming in, then caulk cracks and holes shut. Another method of making the house tighter is to rip newspapers into shreds, soak in water, and add Elmer's glue. Use this to fill cracks. If the fireplace is not in use, close the damper and insulate with a fire-resistant material.

Attic Ventilators

The attic should have two sizes of vents. The large vents could be louvered type set in each side of the attic or a vent that runs along the ridge of the roof. The small vents should be placed below the large ones. The large vents should be open in summer to permit excess heat to escape. The small vents should be open in winter to remove moisture that may work through the ceiling and condense in the attic space. Even better attic ventilation results from the installation of two attic fans. In the summer, one fan draws out the hot air and another one pulls in the fresh air. These fans will save money by easing the load on air conditioning equipment for the house below.

An exhaust fan and a hood over the range in the kitchen help to remove excess heat and prevent moisture condensation from forming on the walls. Fans are also beneficial in the bathroom for such purposes.

Heating Fuel

It rarely pays to tear out a working heating system in order to change fuel; but if the furnace needs to be replaced or if you are having a home built, investigate comparative costs of different types of fuel available in your area. Each fuel has its own advantages and disadvantages. Natural gas, liquid petroleum (LP) gas, fuel oil, and electricity are about equally safe

and clean. Coke and coal are dirtier. The condition of the heating system governs how safe and clean coal and coke burn.

Fuel oil is probably least expensive for those living in the Northeast and Northwest sections of the United States. The oil is stored in tanks at home; and most oil companies offer automatic delivery, so you are unlikely to run out.

Natural gas is most economical in other areas of our country. A gas burner and furnace require less maintenance than oil. The more gas you use, the less the rate is per therm. Gas comes through pipes from the utility company, so there is no reserve stored on your property.

LP gas can be used where there are no pipelines for natural gas. LP gas is usually more expensive than natural gas and must be stored in a tank on your property.

Electricity is recommended for heating homes only where rates are low and the weather is not extremely cold. Electric companies may require a minimum amount of insulation before they will give you the benefit of a lower rate for heating. No chimney is required.

The Better Heating-Cooling Council has published a table which makes it possible for the consumer to compare costs of electricity, natural gas, and fuel oil. You simply circle the amount you presently pay for fuel and read across to other columns for costs of the other fuels.

A survey made in March 1976 revealed the following prices of fuel in the Knoxville, Tennessee, area. These rates should not vary much from other parts of Tennessee at this time, but they do fluctuate from month to month.

Type of Fuel	Unit of Sale	Approx. Cost per Unit	B.T.U. per Unit
No. 2 Fuel Oil	gallon	40¢	140,000
Natural Gas	therm	20¢	100,000
LP Gas	gallon	35¢	91,600
Electricity	k.w.h.	2¢	3,412
Coal	pound	2-1/2¢	12-14,000

Remember that with both electricity and natural gas, cost per unit of sale declines as the number of units used increases. Actual current rates are as follows:

Electricity		Gas	
Amount	Cost p/k.w.h.	Amount	Cost p/therm
First 75 k.w.h.	4.02¢	Up to 1 therm	$2.00
Next 150 k.w.h.	3.452¢	1-19 therms	.2584
Next 275 k.w.h.	2.232¢	20+ therms	.1843
Over 500 k.w.h.	1,872¢		

The cost of LP gas also varies somewhat, depending upon where the customer lives from the delivery point and how much he buys each time.

Since most families would use 500 k.w.h. of electricity for other electrical appliances, whether or not they have electrical heating or cooling systems, the added cost for elctricity would be figured at the lower rate. According the Knoxville Utilities Board, the average TVA residential customer uses 2,000-3,000 k.w.h. of electricity per month if he has electrical heating or cooling systems, and his average rate per k.w.h. is 2 cents.

If a family already is using gas for other appliances, such as range, refrigerator, or hot water heater, they are probably using 20 therms of gas, so added cost for heating or cooling with gas would be figured at the lowest rate.

The efficiency of conversion from fuel to heat varies with the heating system and the type of fuel used, so this should be taken into account when deciding upon a fuel. The conversion efficiency ratio of electricity with a good system is almost 100 percent; but with other fuels and other systems, it may run as low as 80 percent. Ask your dealer before you buy.

Type of fuel to be used should be considered from the standpoint of long-range supplies, as well as economy. Supposedly, oil and natural gas supplies have "peaked" in the United States, whereas there appears to be ample reserves of coal to be mined.

Heating Systems

The ideal heating system supplies whatever heat is necessary to keep the body warm and to prevent drafts.

Hot air gravity systems heat cold air in the furnace; then the hot air rises through many small pipes by natural circulation. The air is hot, dirty, and moves about the house slowly and unevenly. Such a system is satisfactory only in mild climates, for small houses, or as supplemental heat.

Forced warm air systems have a blower that pushes the warm air through ducts. The furnace does not have to be below the area being heated as it does in the gravity system. Return grills and ducts carry cool air back to the furnace to be reheated. A forced warm-air system heats uniformly and responds quickly to changes in temperature. It does not create dirt; but, unless a filter is used, it does stir up dust already existing and redistribute it. A humidifying device can be installed in this system to make the body feel warmer so that the thermostate can be lower in order to save fuel.

Hot-water systems heat water in a boiler, then pump it by circulators through pipes to individual room radiators. Three types of hot-water systems are in use today. The most efficient and costly uses larger pipes than the other two and has two sets of pipes. One set supplies hot water to the registers, and the other returns it to the boiler for reheating. The supply pipes feed each individual register instead of going to all registers in turn, as do the less expensive systems.

Steam heat has a boiler which boils the water and makes steam which is then forced by pressure through pipes into radiators located throughout the house. These systems are hard to shut down when only a small amount of heat is needed.

Individual electric baseboard units can be placed in each room and controlled by individual thermostats. Unit heaters can also be mounted in the wall; then

a blower is used to force air into the room. Electrical resistance cables can be put in ceilings or floors to provide radiant heat.

The electrical heating system is one of the least expensive to install and allows individual temperature control in each room. It is especially used in hobby rooms and bathrooms for supplemental heat. It is also good to use when rooms are added, and the present heating system cannot be expanded.

The electrical heat pump is a reversible air conditioning unit, and it works this way: The heat pump absorbs heat from the ground or well water outside in winter and distributes it in the house. In summer, the system extracts heat from inside the house and pumps it outside. Efficiency of the pump decreases in extremely cold weather and must be supplemented then with resistance heating. However, it is popular in mild climates where electric heat is used in the home. The heat pump is so efficient that it produces about twice as many BTU per kilowatt hour as standard electrical heating. Many home heating experts agree that the elctrical heat pump is an energy conserv ation device unsurpassed by any other heating system. Although the heat pump costs about $200 more initially than other types of central heating and cooling systems for the home, it can recover this extra cost through energy savings in less than three years.

Solar heating is being developed. Systems usually have collectors which cool water in summer and heat water in winter, then pump it throughout the house as does a hydronic system.

Whatever heating or cooling system is chosen, to sure it is the correct size for your particular house. Keep the outdoor section of any system clear of obstructions that interfere with the air flow so that it will operate properly. Expect costs of heating a mobile home to be about twice as much per square foot as heating a single-family house.

Cooling Systems

Choice of a cooling system will depend upon how much you want to invest in equipment at the beginning, as well as upon how much you are willing to pay monthly in fuel bills. Local climate and the type of heating system you use will also be factors in choosing a cooling system. Insulation, attic ventilation, and shading of windows used in conjunction with the air conditioning system will greatly reduce maintenance and operation costs.

Room-type fans produce air movement in a room, increasing moisture evaporation and having a cooling effect. The best fans have large blades that rotate at about 1,000 r.p.m. a minute and a head that oscillates.

Attic and window fans pull cool air from the outside into the house and exhaust warm air from inside to the outdoors. These fans are most effective at night. Window fans need only to be set in the window and plugged in. Attic fans must be installed with louvers that open when the fan is on and close at other times. An opening must be provided in the ceiling for them. Permanent wiring and a switch or timer are needed for operation. To determine the c.f.m. (size) needed, multiply the length by the width by the wall height of the area you wish to cool. For areas that have cool nights, fan capacity can be decreased about one-third.

Evaporative cooling is effective in low-humidity areas. Units may be installed in windows or duct systems. These systems are inexpensive, and the cost of operation is lower than for conventional air conditioning.

Central air conditioning equipment is available to suit location in any home. A one-ton unit is equal to melting one ton of ice per day. The proper size of unit should hold inside temperatures at 78° to 80° F. during all but the very peaks of hot weather. Be sure that a properly designed duct system is installed so that there will be an even distribution of air flow. Also, insulate the piping and duct work in non-conditioned areas. Although central

cooling systems cost more in the beginning than several room units, they are a better buy. The best and most economical means of total house cooling can be obtained by using existing heating ducts.

Room-type air conditioners provide an economical method of cooling a small section of the home. The chief disadvantage is the high noise level and the unattractiveness of the unit. Before installing room air conditioners, obtain a cooling load estimate from your dealer. This estimate will enable you to figure out cooling requirements for each room, based on wall and floor space, number of windows, and available shade. Check the energy efficiency ratio of the unit you plan to buy. It is possible that an air conditioner unit with a low energy efficiency ratio, although costing less initially, will cost more in terms of lifetime expenditures than a high-efficiency model. Obtain from appliance dealers or municipal/cooperative electric systems the energy efficiency ratio (EER) of the desired model. You can figure the EER by dividing the BTU's per hour by the watts of power required. An EER of 10 or above is considered highly efficient; 8-10 is good; 6-8 is average; and below 6 is poor.

A time switch will cut the window conditioner off the middle of the night at a present time and saves considerable energy. This apparatus can be purchased for as low as $20 and installed simultaneously with the room air conditioner.

Room air conditioner units should be located on the north side of your home because the north side provides shade. This shade will ease the work load of your air conditioner by keeping it out of the sun's direct rays during peak cooling time. If possible, your kitchen and laundry room should be on the north and your bedrooms on the east end of your house.

Windows should be protected by overhangs, awnings, lauvered fences, shades, and leafy trees. Such protection can reduce the amount of sun heat

entering your home by approximately 30 percent.

Thermostats. One of the most common "myths" about energy is that it doesn't pay to change the termostat to save energy. Don't believe it! In a typical Tennessee house the savings that can be made by lowering the thermostat from 68° to 55° from 10 p.m. to 6 a.m. can amount to as much as 40% of your heating bill. On the average, heating and cooling bills shift by 3 to 5% for every degree change of the thermostat.

Electricity/Wiring Requirements

Install a wiring system that is adequate to carry your home's electrical load. Otherwise, operation of appliances and other electrical equipment slows down. This wastes electricity and sometimes causes permanent damage to appliances and equipment. Lighting requirements in hallways and closets are lower than for the family room and kitchen.

The thermostat should not be located in direct sunlight, near appliances or main pipes, behind draperies, nor any place where it is appreciably shielded from air circulation.

Lighting

In the long run, it pays to use a fluorescent lighting system, rather than incandescent. Fluorescent lights use approximately 3 1/2 times less energy than incandescent lights and give off 3-5 times more illumination. Furthermore, fluorescent bulbs last 7-10 times as long as incandescent bulbs.

Location of Housing

Factors to Consider in Deciding Where to Live

Employment. What will be the cost of transportation to go to work? Is public transportation available, or will you have to own a second car?

Education. Do you have shool-age children? How will they be transported to school?

Services. Are there adequate street lighting, police protection, fire

protection, and utilities (sewer, water, lights, and telephone)?

Costs. Is the housing you have in mind on a par with others in the community? Can you afford it? Find out what you will pay for transportation, insurance, taxes, utilities, and community services. Are there anticipated improvements for which you would have to pay, such as paving or sidewalks?

Renting vs. Owning

Advantages of Renting

1. Renting does not require a large downpayment, and there is no risk of losing your investment if a payment is missed.

2. The owner must pay costs of repairs, taxes, insurance, lawn care, and sometimes utilities.

3. Renters do not have unforeseen property tax or repair bills.

4. A renter can move quickly because he does not have to sell his home.

5. Less work and time is involved in renting than in owning property.

6. In general, renters need fewer possessions than owners; therefore, they have more money to spend for other things and fewer goods to move.

Advantages of Owning

1. Investment in a home is a form of savings. Generally, homes appreciate rather than depreciate.

2. If deductions are itemized, money spent for property taxes, home improvements, and mortgage interest can be deducted from federal income taxes.

3. Owning a home gives you a feeling of security; you will not likely be forced to move.

4. The amount of principal and interest payments will not change; however, there could be increases in taxes and insurance.

5. The owner can change his home to suit himself by adding rooms, closets, cabinets, air conditioning, carpeting, landscaping, etc.

6. Owners often get better credit ratings than renters. Also the

equity built up in a house can be used as security to borrow money at a lower rate.

Types and Characteristics of Rental Property

Costs of renting a home depend upon the location, desirability of the structure, extra services (recreational facilities, parking, doorman, etc.), furniture and appliances.

Characteristics of Various Rental Properties

Apartment living normally offers little or no private yard space. Rent may include some or all utilities. Major appliances may be furnished. A landlord or manager takes care of heating and cooling equipment, yard and grounds, and apartment repairs. A deposit is usually required.

Duplexes offer some private yard area, more living and storage space, and more privacy than most apartment buildings. In some cases, utilities, appliances, and maintenance is furnished. A deposit may be required.

House usually provides more living space, better storage facilities, and greater privacy than other types of rentals. The tenant is responsible for routine upkeep and maintenance. A deposit may be required.

Mobile home is completely furnished. It may have a miniature yard, playground with equipment, and the convenience of a manager living in the trailer park.

Public housing usually comes with major appliances furnished. Yard space depends on the size of the housing unit. The amount of rent charged depends on the tenant's income and other factors. Rent may include some utilities. The housing authority is responsible for upkeep and maintenance. A deposit is required. You may be eligible for government-subsidized housing if you:

1. Represent a family of two or more persons.
2. Are a single person who has reached retirement age as defined by the Social Security Act.

3. Are a single person who has a physical disability as defined by the Social Security Act.

4. Are displaced by urban renewal or other governmental action.

5. Are actually without housing.

6. Are now living in unsafe, unsanitary, or overcrowded housing.

7. Are a family whose net income after exemptions does not exceed an amount set by the housing authority.

Questions to Ask Before Renting

1. What is covered by the rent? Are utilities included? If not, what has the average monthly charge been for them?

2. Who is responsible for upkeep, repairs, and maintenance?

3. What services are included in the rent? Window washing? Snow removal? Maintenace of lawn?

4. What extra facilities are available? Laundry? Swimming pool? Recreational area? Community room for entertaining? What is the cost for these extras, if any?

5. How and when may the lease be terminated or renewed?

6. What happens if you must move before the lease expires?

7. What extra costs must you pay? Parking? Hooking up to cable television?

8. When may the landlord or his employees enter your home?

9. What rules and regulations must tenants follow in using the property? Will these make living more enjoyable? Are you willing to obey the regulations?

10. Does the landlord have a lien on your personal property?

11. Are all agreements with the landlord written into the lease?

Sources of Rental Property

1. Consult the want ad section of the newspaper for vacancies.

2. Select realty companies from the yellow pages of the telephone directory and inquire about their listings.

3. Visit different apartment complexes and ask if they will have vacancies in the near future or if they know of other vacancies in town.

Rights and Responsibilities of Tenants

Rights of Tenants

1. To have possession and quiet enjoyment of the rented property without interference by the landlord.

2. To use any part of the landlord's property necessary for the enjoyment of the leased part, such as a driveway.

3. Under certain conditions, to withhold rent if the property becomes uninhabitable through no fault of your own, but neglect of the landlord.

4. To sublet, but in some circumstances only with consent of the landlord.

Responsibilities of Tenants

1. Pay rent on time.

2. Make minor repairs with the landlord's consent.

3. Inform the landlord of necessary major repairs.

4. Practice reasonable alertness in seeking out dangerous building defects before moving in.

5. Use the premises for lawful purpose only and only for purposes set out in the lease, if they are specified.

6. Surrender the property promptly at the end of term unless renewal is agreed upon.

Rights and Responsibilities of Landlords

Rights of Landlords

1. Evict a tenant for failure to perform his duties under the lease.

2. Assign his (the landlord's) interest in the property to someone else without the tenant's consent.

3. Claim as his own permanent improvements made by the tenant and any installations that are permanently affixed to the building.

4. Consider the property abandoned and terminate the lease if the tenant fails to take possession.

Responsibilities of Landlords

1. Refrain from unlawful entering or trespassing.

2. Furnish the necessities for habitation as set out in the lease, such as heat and lights.

3. Keep the premises safe from hidden defects and free of rodents and other household pests.

4. Make major or structural repairs.

5. Pay real estate taxes and assessments.

Eviction

An eviction notice is a means of having the tenant vacate the premises and usually results from nonpayment of rent. A person who is in charge of serving the notice may be a marshall, sheriff, or constable. If the tenant does not have a lease and pays rent on a monthly basis, the landlord must give thirty days written notice before seeking eviction. If the tenant has a lease, it should be checked for the notice provision. The notice can be served in person or left with another responsible person at the dwelling. Tenants will receive a writ of forcible entry and detainer to come to court on an eviction proceeding. The time between service of process and the hearing varies anywhere from 6 to 10 days. If the tenant is found guilty, he has 10 days to appeal for a new trial in the circuit court. If he fails to act during that time, the landlord can secure a writ of possession to force the tenant to vacate the premises.

Buying a Home

Count the Cost

Try to have three months' salary in savings so that you will not take

a chance on losing the house in a foreclosure if you should lose your income or have a financial emergency arise.

Have readily accessible enough money for a downpayment (up to 20 percent of the price of the property) and closing costs (3 1/2-4 percent of the amount of the loan).

The total price you pay for your home should be no more than your net income for 2 1/2 years. The amount you can mortgage and the amount of interest you will pay varies according to economic cycles, availability of loan money, value and location of the property, and credit rating you have established.

Real estate salesmen will be able to inform you as to the availability of houses in the desired neighborhood in your price range. They can also help you submit an offer to buy.

If you find a house that meets family needs in size, room arrangement, style, and construction, it would be good to go to the court house or city hall and ask about zoning laws in the area. Are any plans being made for that particular street and neighborhood? Are there plans for an expressway, sidewalks, shopping center, school, library, park, or golf course? Also inquire about city easements on the property.

If the house is used, some money may be required for improvements. Repairs may also be needed. If the house is new, extra money may be needed for curtain hardware, additional lawn plantings, and touch-up work.

Find out how much payments have averaged for utilities such as electricity, gas, telephone, water, sewage, and trash pick-up.

How much are taxes and insurance?

Figure the "real cost" of the home by multiplying the amount of your montly payments by the number of payments you will make over the life of the loan. Check to see if there is a penalty for paying off the loan ahead of time. However, bear in mind that interest on real estate is the cheapest available;

and if you must buy anything on credit, it should be your home.

Investigate the possibility of assuming the existing loan. A transfer can save closing fees and will also save interest if the mortgage was made at a lower rate than the present one.

Determine how much you currently spend on housing by listing your expenses below in the "current" column. Divide annual expenses for such items as taxes, insurance, and utilities by 12 to arrive at the amount you need to put aside each month for these bills.

Estimated Housing Expenses

Monthly Expenses	Current	Future
Mortgage Payments	$_____	$_____
Property Taxes	_____	_____
Property Insurance	_____	_____
Special Assessments (sewage, sidewalk)	_____	_____
Heat	_____	_____
Utilities (gas, electricity, water, phone)	_____	_____
Services (yard care, trash pick-up)	_____	_____
Savings Fund for Maintenance & Repairs	_____	_____
Remodeling	_____	_____
Totals	$_____	$_____

Don't list taxes or insurance if they are included in your mortgage payments. If they are included in the payment, that portion of money is put in your "escrow" account and held by the company until the end of the year to pay your tax bill and your insurance premium to the insurance company of your choice. Many lending institutions include taxes and insurance in the monthly payment so that you can't become delinquent. This practice is being questioned by borrowers who wish to maintain control over this money until the bills are actually due. If you do pay your own taxes,

remember that the local tax assessor is not required to notify you of taxes due or to send any bills. If taxes become delinquent, your property can be sold for back taxes, perhaps unbeknown to you.

Determine how much interest you will be paying over the life of a 20-year loan. Below are listed various interest rates, monthly payments, and total interest charges for each $1,000 borrowed over a 20-year period.

Interest Costs on Home Mortgages

Interest Rate	Monthly Payment	Total Interest (over 20 years)
6%	$7.16	$ 719.43
6 1/2%	7.46	789.38
7%	7.75	860.72
7 1/2%	8.06	933.42
8%	8.36	1,007.46
9%	9.00	2,160.00

To get the amount you pay, find the interest rate and multiply the monthly payment on that line by the number of thousands of dollars borrowed to get the total monthly payment. Multiply the total interest on that same line by the number of thousands of dollars borrowed and get the total amount of interest you will pay on your loan in 20 years.

If you lengthen the period of a typical loan from 20 to 25 years, the total amount of interest that must be paid increases by about 30 percent.

A homeowner should not pay more than 25 percent of income for monthly housing expense, including payment on the loan and average cost of heat, utilities, repairs, and maintenance.

SURVEY YOUR FINANCIAL POSITION COMPLETELY BEFORE YOU COMMIT YOURSELF TO A LARGE, LONG-TERM LOAN.

New vs. Used Home

Two out of every three buyers get a used home. Those who do buy new homes usually get them already built.

Advantages of Used Homes

1. A used home offers more space for the money.

2. The lawn and shrubbery will have reached maturity, and there should be little landscaping expense.

3. Taxes are usually stabilized in older districts.

Older homes do need to be carefully inspected if they are being considered for purchase. It is worth the $50 to $100 fee to get an expert appraiser to inspect the property and give you a detailed report. Be sure the expert is reputable. If repairs and improvements are needed, get estimates of costs involved.

Checklist for Older Homes

1. Termite infestation and wood rot. Have it investigated by a specialist.

2. Sagging structure. Are exterior walls square?

3. Inadequate wiring. Is there sufficient amperage and enough electrical outlets? Is wiring dilapidated, exposed, or dangerious?

4. Run-down heating plant. What kind of repairs are needed, and how long will the system last?

5. Inadequate insulation. What material was used, and how was it installed? Where is it? What "R" rating does it have?

6. Faulty plumbing. A sewer is better than a septic tank. A plumber may test for water pressure.

7. Hot water heater. What type of tank is it? Is capacity sufficient? Is there a guarantee still in effect?

8. Roof and gutters. What kind of roofing was used, and how old is it? Check inside the attic for water stains and discolorations.

9. Wet basements. Are there water penetration signs around the foundation?

10. Windows and doors. Are windows and doors properly hung, and does the hardware operate? Are there storm coverings?

Checklist for New Homes

1. Is the builder reliable? Talk with people who live in homes he has built.

2. Is the contract complete, and is there agreement on all details?

3. Will the builder assume costs of new paving, water and sewer lines, and sidewalks?

4. Does your contract stipulate a completion date? Does it describe any extra features in detail?

5. Have you made a thorough inspection trip before closing day so that you can request necessary changes?

6. Are you being furnished all these papers before you sign your note and mortgage?

a. Warranties from all manufacturers for equipment in the house.

b. Certificate of occupancy.

c. Certificates from Health Department clearing plumbing and sewer installations.

Shopping for Home Mortgage Money

A mortgage loan is for the purpose of purchasing property. The lender supplies cash for the house, and the mortgagor obligates himself to repay the loan in regular monthly payments, including interest, for a specified number of years. The house and lot are security for the loan. You promise to pay the taxes, keep the house insured, and maintain the property in good condition. If you fail to make payments on time, the lender has a right to take your property, and you may lose whatever equity you have in the house. Mortgage loans are made on the basis of the applicant's ability to repay the loan; i.e., credit rating, current employment status, and income.

There are three basic types of home mortgage loans: FHA, VA, and conventional. Such loans may be made by banks, savings and loan associations, credit companies, private lenders, and life insurance companies. Shop around, compare, and find the best terms for you.

The three types of loans vary in the amount of down payment required,

length of repayment period, and interest rates.

FHA Loans are insured by the Federal Housing Administration so that lenders take no risk. If the borrower does not pay, the government will. With such protection, lenders are willing to make loans to people with very small down payments and lower interest rates, as well as for longer periods of time. The cost of FHA mortgage insurance is 1/2 percent, and this is paid by the borrower as a part of his monthly loan payment. Both the borrower and lender must meet FHA requirements. The house must be inspected and approved by an FHA appraiser. A borrower is permitted to repay his loan ahead of time without penalty. About 7 to 30 days is required to obtain approval for an FHA loan.

VA Loans are guaranteed by the Veterans Administration, and they are available only to qualified veterans. VA loans have low interest rates, long repayment periods, and low (or no) down payments, because the government guarantees private lenders against loss for up to 60 percent of the loan. The borrower may repay his loan ahead of time without penalty. It requires six weeks to two months to get approval for a VA loan. Local VA offices will give veterans full details and eligibility requirements for these loans.

Conventional loans are made on the strength of the borrower's credit rating and the value of the house he buys. Because the lender is taking more risk, he requires a higher down payment, higher interest rate and, sometimes, a shorter repayment period than can be obtained on government-backed loans.

Inquiry was made in March, 1976, of home lenders in Knoxville, Tennessee, so that characteristics of various types could be compared.

Comparison of FHA, VA, and Conventional Loans

1. Down payment

   a. Conventional--Minimum of 5 percent down for those with good credit; 20 percent for those with minimum acceptable credit rating.

b. VA--no down payment.

c. FHA--3 percent down on the first $25,000; 10 percent down on the $10,000.

2. Repayment Period: 30 years is the average for all loans; it is also the maximum time allowed.

3. Interst Rate

a. Conventional--9 percent with those who make miminum down payment; 8-3/4 percent for those who make a 20 percent down payment and have good credit rating.

b. VA--8-3/4 percent.

c. FHA--8-3/4 percent, plus 1/2 percent for FHA mortgage insurance.

4. Closing Costs

a. Conventional--3-1/2 to 4 percent

b. VA--4-1/2 percent

c. FHA--4-1/2 percent

A $50 application fee may be charged on FHA loans. In some cases, the seller is charged a discount fee of up to 2 percent by the lender for his taking the loan. If the seller can, he will pass this charge along to the buyer of the house in order to maintain his profit at a certain amount.

According to the Federal Reserve Bulletin,[1] nationwide terms on conventional loans, as of December, 1975, are as follows:

Interest rate: 8.76%
Fees & charges: 1.57% (includes loan commissions, fees, discounts, and other charges, but not closing costs related solely to transfer of property)
Maturity: 27.7 years
Down payment: 23.2%
Purchase price: $46,000
Amount of loan: $34,700

The yeild on FHA-insured loans in the private secondary market was 9.32 percent.

Farmers Home Administration Rural Home Ownership Loans. Farmers Home Administration makes loans in rural areas to finance homes, building sites, and essential farm service buildings. Rural areas include open country and places of

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[1] James L. Kichline, Staff Director, Federal Reserve Bulletin, Vol. 62, No. 2 (February, 1976), p. A 43.

not more than 10,000 population which are rural in character and not closely associated with urban areas.

Loan funds may be used to build, improve, repair, or rehabilitate rural home and related facilities. Emphasis is on new construction. Loans are available to low- and moderate-income families who:

1. Are without decent, safe, and sanitary housing.

2. Are unable to obtain a loan from private lenders on terms and conditions that they can reasonably be expected to meet.

3. Have sufficient income to pay house payments, insurance premiums, taxes, maintenance expenses, debts, and necessary living expenses. Persons with inadequate repayment ability may obtain co-signers for the loan.

4. Possess the character, ability and experience to meet loan obligations which include property maintenance.

Loans may be made for the value of the site, the home, and improvements as determined by Farmers Home Administration appraisal. Maximum repayment period is 33 years, with interest rates that are lower than at other loan sources. Families with low income may qualify for a lower interest rate based on ability to pay, giving consideration to family size and income. Interest rate may be as low as 1 percent.

Loans are tailored to give extra help to low- and moderate-income families. Homes financed are modest in size and cost but adequate to meet the families' needs. New homes average between 1000 and 1100 square feet of living area.

The Farmers Home Administration program is handled through county offices with a county supervisor in charge. Some offices serve more than one county, but all counties are served. Interested parties should contact Farmers Home Administration offices in their own county. Other housing programs are available:

1. Home repair loans are available to families who cannot afford an

adequate home under a regular housing loan. These loans are made to owner-occupants for repair and minor improvements up to $2,500 with an additional $1,000 for plumbing, water, and waste disposal systems. Interest on these loans are 1 percent; loans are to be repaid over a ten-year period.

2. Rural rental or cooperatively owned housing loans can be made for senior citizens and low-to-moderate income families.

3. Building site loans are available for local non-profit organizations to buy, develop, and sell home sites to applicants eligible for home ownership loans on a non-profit basis.

4. Loans and grants can be made for farm domestic labor housing.

5. Self-help housing loans are available to groups of low-income rural families who wish to work together in construction of their homes.

6. Disaster housing loans provide money to repair or replace homes, essestial farm service buildings, and related facilities damaged or destroyed by natural disaster.

Foreclosure

The creditor has the right to forclose if the debtor does not make his mortgage payments as agreed. Foreclosure is not common because it gives the loan company a bad reputation. However, if it is apparent that the borrower will not be able to bring his payments to current status, the property may be sold so that the lender will receive the amount he is owed. When foreclosure is threatened, it is usually best to hire a lawyer.

If you have a temporary financial trouble that will make it impossible for you to pay mortgage payments on time, contact your lender immediately. If your payment record is good to that time, an arrangement will probably be worked out whereby payments can be delayed. If your lender does not help, call the nearest HUD-FHA office.

Mobile Homes

A mobile home is a movable dwelling which has been designed, engineered, and built for use as a permanent home. It is built entirely at a factory. It cannot be moved with a car. A typical mobile home has:

...Living room
...Complete kitchen (including major appliances)
...Dinette
...Bathroom
...Bedrooms
...Cabinets and closets
...Automatic heating system (gas, oil, or electric)
...Water heater

Most mobile homes are sold completely furnished, equipped, and decorated.

Sizes

Single-wides are most common and provide 12' x 62' of living space. Larger homes may be 14' wide and 50' to 70' long.

Double-wides are two single units joined together at the parking site.

Expandables have sections which telescope inside the home while it is being transported, then move outward when the home is placed.

Sites

The United States has over 15,000 mobile home parks. Rent varies from $35 to $100 a month, depending upon where the park is located and the services offered.

Sometimes mobile homes may be placed on your own or individually rented land. Each county has mobile home regulations, so appropriate local authorities should be consulted. You will be responsible for arranging connections to gas, water, and electricity. A septic system is also necessary.

Mobile Home Standards

Over 75 percent of mobile homes for sale today are built to conform to nationally established standards developed by American National Standards Institute (ANSI). There are called ANSI Standard A119.1 and are designed to protect the health and safety of mobile home owners and to assure a fair

value on their home investments. Homes conforming to this standard must meet the following guidelines:

...Safe, healthful, and comfortable living facilities with sufficient storage space and economy of maintenance.

...Adequate natural light and ventilation.

...Structural strength and rigidity in keeping with design loads, both while the home is in transit and after it is on site.

...Equipment designed and installed for safety of operation and ease of service, and adequate for intended use.

...Installed materials with specifications showing that they will resist deterioration.

...Protection against the entrance of water and winds at all joints, connections, and openings in exterior surfaces.

...An arrangement of habitable spaces that provide for protection from fire and safety.

If a manufacturer meets the ANSI Standard A119.1, there will be a sign of certification near the door. A certificate posted inside will describe expected performance of the heating system. A diagram will show position and number of placement piers and tie-down anchors. A map will show the section of the United States for which the home was built.

Mobile homes financed with HUD/FHA-insured or VA-guaranteed loans must be built to ANSI Standard A119.1. More than 40 states also require that mobile homes sold there meet these standards.

Buying Guidelines

Select a reputable dealer. Check with the Better Business Bureau or your local Chamber of Commerce if you do not know one. Be sure that he defines points covering set-up and future service at the time of sale, and that this is put in writing.

Consider quality and floor plan. Take time to look around. Compare floor plans. Ask detailed questions about price and equipment.

Financing

These are sources for mobile home loans:

Banks
Savings and Loan Associations
Credit Unions
Finance Companies

Look for the least expensive rate. Pay as much cash down as you can. Make the payments as large as you can afford.

Conventional Loans usually require a down payment of 10 to 20 percent. The average repayment time is 5 to 7 years, but may be as long as 10 years. Interest rates run from 11 to 15 percent.

HUD/FHA-Insured Loans can be obtained from approved lending institutions and are insured by HUD against losses. Qualifications include:

1. The borrower must have sufficient income to pay the monthly amount specified.

2. The borrower must be able to make a down payment of 5 percent of the first $6,000 of the total price, and 10 percent of the amount over $6,000.

3. The borrower must intend to use the mobile home as his principal residence. It must be at least 10 feet wide and 40 fee long and meet HUD construction standards. It must be a new home or else have previously been financed with a HUD/FHA loan.

4. The borrower must have an acceptable site for the home.

5. The maximum dollar amount to be loaned is $10,000 for a single-wide and $15,000 for a double-wide. This may include furnishings and appliances and transportation to the site. The maximum financing charge is 11.25 percent per annum. Loans are repaid in equal monthly installments.

6. Loans are secured by chattel mortgage on the home or security agreement.

VA-Guaranteed Loans can be obtained by eligible veterans and can cover both the home and its site. Maximum loan guarantee is:

1. $12,500 with repayment time up to 12 years for single-wides.

2. $20,000 with repayment time up to 15 years for a single-wide and a developed land site.

3. $20,000 with repayment time up to 20 years for a double-wide.

4. $7,500 with repayment time up to 12 years for purchase of a site only.

Caution

The contract for the purchase of a mobile home should contain a clear and complete description of the home, furnishings, appliances, accessory items, and all other items. Specify:

...How much the complete mobile home will cost.

...How much interest you will pay over the life of the loan.

...How many payments you must make before the loan is paid off.

...How much each payment will be.

The best bargain is a well-built and well-designed mobile home which meets your special needs. Do no let high-pressure salesmen talk you into anything else. Never sign a placement certificate until the home is delivered and satisfactory to you.

Consumer Protection

NHMA-TCA Seal indicates that the manufacturer is a member of the Mobile Homes Manufacturers Association and the Trailer Coach Association (if on the West Coast). These manufacturers conform to the A119.1 standard.

Craftmen's Guild Seal indicates that the manufacturer built his mobile home in compliance with the Gold Seal standard. This is indicated by a metal emblem.

Construction standards for body and chassis have been developed by the Mobile Home Industry, the United State of America Standards Institute, and National Fire Protection Association. Copies of these standards are available from NFPA, 60 Battery March Street, Boston, MA 02110, or Mobile Home Manufacturers

Association, 20 North Wacker Drive, Chicago, IL 60606.

Additional Information

Tennessee Mobile Housing & Recreational Vehicle Institute
Office G, Donelson Plaza
Nashville, TN 37214

The National Mobile Home Manufacturers Association
20 North Wacker Drive
Chicago, IL 60606

Washington Office
1800 North Kent Street
Arlington, VA

REMEMBER:

Mobile homes depreciate in value like automobiles, but homes generally appreciate in value. Mobile homes are also costly to operate. Rent can be high for parking sites; heating and cooling is much more expensive than for a comparable amount of space in a conventional home; insurance rates are higher.

Vacation Homes

Be cautious about buying a lot or home in a recreation-vacation-retirement village. Read the property report, contract, and any other pertinent documents before you sign anything. You may want to take them home to study or to show an attorney. If the investment is substantial, seek an attorney's advice or consult friends familiar with such real estate deals.

DON'T:

1. Sign anything the first time you visit the property and hear the sales talk. There are many sites available.

2. Waive (cancel) the 3-day cooling off period to which you are entitled. Be sure this waiver is not written into the contract.

3. Assume that the government has inspected, investigated, appraised, or endorsed the land offering just because the development is registered with the federal government.

4. Believe that "you can't lose money by investing in land." Balance the investment possibilities against the price, finance charges, taxes and maintenance fees.

5. Assume that whatever you are told is true. Get it in writing!

Legal Rights

You have rights under federal law if your lot:

1. Is in a development of 50 or more lots, any one of which is less than five acres.

2. Was sold in interstate commerce after April 27, 1969.

3. Was sold without a structure on it or a contract to build one within two years.

4. Is not subject to a few other, minor exceptions.

Your rights are:

1. You must have had a chance to read a "Property Report" before you signed the contract. If you can prove you did not, you can cancel the contract and get your money back. Do so in writing.

2. You must have been given the "Property Report" more than 48 hours before you signed a contract to buy. If you did not waive your right to cancel, you may cancel and get your money back. Do so in writing.

3. The land and the developer's obligation to you must have been accurately represented in the "Property Report." If it was not, you may sue the developer. See an attorney. You may want to bring class action if others were also cheated.

4. If you have a complaint and need help, contact Interstate Land Sales, HUD, Washington, D.C. 20410.

Property Insurance

Types of Coverage

Basically, property owners need three types of insurance coverage:

fire, theft, and liability. There is a homeowner's package that combines all three types in one policy, and the premium is lower than for three individual policies.

Fire and extended coverage may be obtained in three forms: standard, broad, and comprehensive.

1. The standard form is issued against 11 perils: fire and lightning, windstorm or hail, explosion, riot, aircraft, vehicles, vandalism, smoke, glass breakage, theft or mysterious disappearance, and damage to property removed from the home.

2. If the homeowner wants coverage against more risks, he may buy the broad form which covers eight additional perils: falling objects, weight of ice, snow, or sleet; collapse of building; accidents from water system; accidents from water heating system; accidents from appliances from heating water; freezing; injury to electrical appliances.

3. A comprehensive form is available which covers all risks except such things as earthquake, landslide, flood, tidal wave, sewer back-up, war, and nuclear radiation. Comprehensive coverage is much more expensive and will probably include a $50 to $100 deductible clause. Also, the additional risks are unlikely to occur.

Theft coverage protects from the risk of property being stolen, either at home or away from home. "Floaters" may be added for particular valuables such as coin collections, furs, antiques, etc.

Liability coverage protects against loss incurred because one is held responsible for injuries received by others while in contact with the homeowner's property. Such loss may result from bodily injury, property damage, or medical expenses. In order to receive payment, the injured person must establish that the insured is legally liable. In the event a guest files suit for bodily injury, the insurance company will represent the

homeowner in court, pay defense costs, and pay damages up to the limits of the policy.

A person does not need to own his home to carry homeowner's insurance. He may be a tenant and encounter such risks. Policies may cover periods ranging from one to three years, with premium savings on the longer period. Coinsurance and deductible clauses reduce the cost of premiums, but they also reduce the amount of payment that will be made when a loss occurs.

Payment of Claims

Claims are usually paid according to the depreciated value of the property, even though cost of replacement or value is greater.

If a policy contains a deductible clause, the insured must pay all loss up to the deductible amount, usually $50 or $100. If the policy contains a coinsurance clause, the insured must pay the percentage of loss specified, usually 20 percent to 25 percent, and the insurance company pays the rest. One can afford to pay these smaller deductible or coinsurance amounts, whereas he may be unable to withstand larger losses.

Under a medical-payments provision, the insurance company pays the injured party for the cost of medical and/or surgical care. Accidental injury claims may arise from the actions of the homeowner or his family and may occur either on or off his property. Claims arise from liability and are never paid to the homeowner or his family.

Amount of Property Insurance to Carry

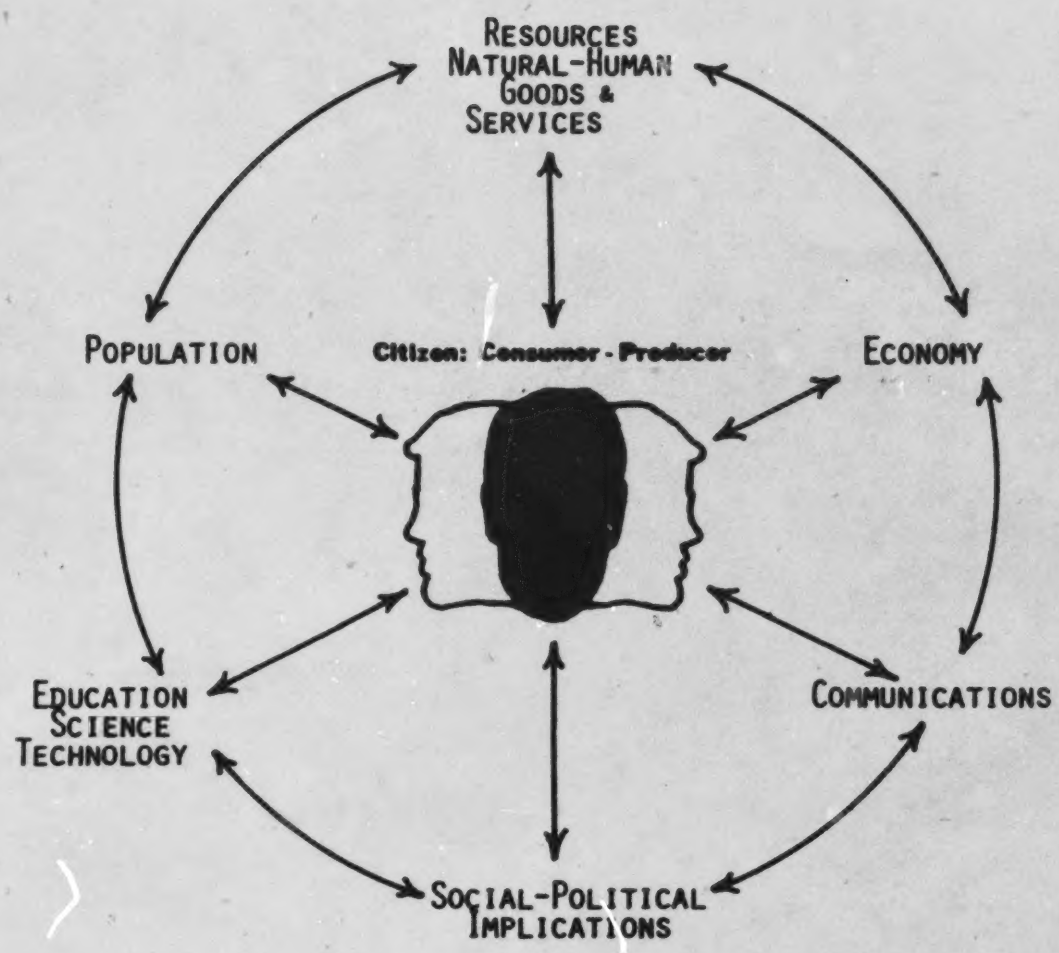
There are at least five things to consider when deciding how much property insurance to buy.

1. What would it cost to replace the property or to make restitution to a person who is injured because of your negligence?

2. How much money is available for you to use in replacing a loss? You may need to take inventory of your income, savings, and other assets.

3. What is the likelihood that a loss of the type to be insured would occur?

4. What are the insurance rates for the protection?



THE KEY TO A FREE ECONOMIC SOCIETY

IS THE INDIVIDUAL.

INSURANCE

Basic Types of Insurance

Personal. People risk loss of income due to death, accident, sickness, disability, old age, and unemployment.

Property. Property is subject to risks of fire, riot, vandalism, accident, windstorm, tornadoes, cyclones, hail, smoke, and theft.

Liability. People risk loss of assets if others, such as guests, drivers, or pedestrians, are injured through their negligence.

Insurance Terms Frequently Used

Annuity protects a person against the possibility that he will live beyond the time that he is able to earn an income.

Appreciation results from increase in the value of property due to age, inflation, or improvement.

Assured is the person whose property is insured by any type of property insurance.

Beneficiary is the person who receives the proceeds from an insurance policy.

Cash value is the amount of money that will be paid to a policyholder if he decides to stop paying premiums on a permanent policy. It is also the sum which a person may borrow at low interest.

Coinsurance clause requires that the policyholder pay part of the bill--usually about 20 or 25 percent--after the deductible amount has been subtracted.

Deductible clause means that the insured must pay a certain amount before the insurer pays anything. The higher the deduction, the lower the premium.

Depreciation is loss of property value due to age or use.

Indemnity is money given in payment of loss or damage.

Insurable interest is the extent to which a person would suffer financial loss in the event property were damaged or destroyed. This is the maximum

amount an insurance company will pay in the event of a loss, regardless of the face amount of the policy.

Insured is the person whose life or property is insured.

Policy is the written contract which contains the terms of the agreement between the policyholder and the insurance company.

Policyholder is the person who buys insurance and to whom the policy is issued.

Premium is the amount of money paid to a company to get the insurance.

Life Insurance

Points to Consider in Buying Life Insurance

Which family member(s) should be insured?

How much income will be needed to replace the insured's contribution to the family?

Is the insurance company from which you plan to buy financially sound and represented by honest, well-trained agents?

Which policy will give the needed protection at least cost?

The Nature of Life Insurance

Life insurance is a means of setting aside a portion of income during earning years to provide income when a breadwinner dies, retires, or becomes disabled.

The premium rates for life insurance are based on mortality tables, or life expectancy and the law of averages.

Insurance is a plan by which large numbers of people are brought together for mutual protection so that when one person suffers a loss, it can be made good by the premiums of all the others.

How Much Life Insurance Should be Purchased?

If there is no financial risk involved in the premature death of a person, there is no great need for buying life insurance. Minor children are not

financial assets to most families.

A careful estimate should be made of needs, taking into account present insurance and financial resources.

Insurance policies are properly judged in terms of the job that they are intended to do, rather than in terms of face value.

Consideration must be given to the fact that the breadwinner may live after he retires, and he will have continued need for an income.

When to Buy Life Insurance

If there is no urgent need for protection, buying too much insurance too early may mean several years of needless expense, regardless of the lower premium rate. However, every person's and family's needs are different.

From the standpoint of insurability, delay in buying insurance increases the risk of a poor health condition.

As in the case of a young, single person; a young, childless, married couple who both work should probably have a simple policy such as reducing term insurance for a limited time.

Flight insurance is taken against the risk of being injured in an airplane accident. Since the safest way to travel is by air, if one already carries adequate life insurance, there is no reason to buy flight insurance.

Credit life insurance is taken to pay off a debt if one should become injured or die. Such insurance is usually a waste of money if adequate life insurance is already carried. Mortgage insurance on a home, however, may be a good buy if there is only one breadwinner in the family or if there are school-age children.

Economical Use of Life Insurance

Life insurance is economic protection for dependents against the possibility of death or disability of the breadwinner. It is not a savings or investment plan. Savings can be accrued faster through wise investments.

Life insurance is not the best way to build an educational fund for children.

Here are financial problems, arranged in order of importance, that a family must consider when a breadwinner dies:

1. Death expenses
2. Income for dependents
3. Income for surviving spouse
4. Payment towards debts
5. College education if there are school-age children

Four Basic Types of Insurance

Ordinary life (also known as straight or whole life) policy has a face value which is paid only when the person who is insured dies. The premium rate for whole life is higher than for term insurance, but it is lower than for any other policy with cash value. This type of policy builds a cash value which increases as long as the policy is valid. One can borrow against the cash value of the policy and remain insured, but coverage is reduced until the loan is repaid. One may cancel the policy and receive a lump sum commensurate with the number of years the policy was in effect, but all money paid in will not be returned nor will insurance protection continue.

Limited-payment life insurance provides for all premiums to be paid up within a limited number of years--10, 20, or 30. After the premiums are paid up, the policy remains in force for the rest of the insured's life unless he withdraws the cash value. Premiums are higher than for straight life, but they have the advantage of providing higher cash value in a shorter period of time.

Endowment policies primarily emphasize savings; not protection. An endowment policy guarantees a sum of money to the insured or his heirs after the payment of a certain amount of money and at a set time in the future. Premiums for endowment policies are the highest of any life insurance because

the policy is more for savings. However, the interest rate received on these savings is low compared with other investments. Upon maturity, the insured may received payment in a lump sum or in installments.

Term insurance offers the lowest cost protection for a limited period--1, 5, 10, or more years. After the term expires, the policy is void and there is no cash value. Some term policies can be renewed, but the policyholder must pay premiums set for his age at the time he converts. A renewable clause makes it possible to obtain the same protection without having to undergo a physical examination at time of renewal. Over long duration, term insurance is expensive; but for young people with immediate needs, it is ideal. It can pay off debts if the insured should die.

Sources of Life Insurance

Group life insurance is utilized by members of a union, institution, or business. No medical examination is required. The cost is moderate. Group life is usually term insurance, and the protection ends when the employee quits the group.

Life insurance companies sell policies through agents or brokers. A medical examination is usually required.

Industrial insurance policies are for minimal amounts. Premiums are collected weekly or monthly by an insurance agent, which makes this insurance costly.

Savings banks are authorized to sell life insurance in some states. All types are sold at lower rates because agents' commissions do not have to be paid.

Armed forces life insurance may be carried by veterans because of its very low cost.

Settlement Options

A lump sum payment may be made by the company at the time of the insured's

death or disability. This provides income to meet expenses connected with sickness and/or death of the insured.

Monthly payments may be made by the company to provide a continuing income for the support of dependents.

A time-settlement option may be chosen, which pays a specific amount for a predetermined length of time, then ends.

Interest only on the face amount of the policy may be paid to the beneficiary, allowing the policy value to remain intact. This would offer a small income payment or require a large face value.

Points to Remember in Purchasing Life Insurance

Select an honest, competent insurance agent. Although such a certificate is not required, check to see if the agent holds a chartered life underwriter's certificate. An agent or broker sells insurance for several different companies; an exclusive representative sells for only one company.

A good company can be selected by checking with the state insurance commission to see if the company is licensed to practice in the state.

Analyze insurance needs before buying. Never cancel a policy to buy another unless conditions require it. Such action will mean higher insurance rates and loss of matured cash value.

One should never misrepresent or conceal evidence that should be put down accurately in an application for insurance coverage. To do so will release the insurance company of its obligation to the insured.

Health Insurance

Need for Health and Accident Insurance

Health and accident insurance is for the purpose of providing money to pay bills resulting from illness or accident. Health insurance rates have risen drastically in the past ten years. Without an adequate policy, many cannot afford to pay for health care, resulting in debt, garnishment of wages, or

lawsuits for which one will pay the rest of his life.

Coverage

Types of expenses which may be covered by health insurance are:

1. Hospital coverage pays for room, board, nursing care, medication, X-ray services and/or operating room at the hospital. The policy usually limits the number of days one is covered and the amount of coverage.

2. Surgical coverage pays the surgeon's fees for operations, usually according to a schedule of average costs in the area.

3. General medical coverage pays non-surgical doctor's fees, such as visits at home or in the hospital. The number of visits and amount of payment for each is usually limited.

4. Major medical insurance begins to pay where hospital, surgical, and general medical coverage stop. Such insurance protects against serious injury or long illness involving a large amount of money. The policy usually contains deductible and coinsurance clauses in order to lower premiums and payments.

5. Loss of income insurance covers the risk of losing income because of prolonged illness or accident. The policy usually requires a waiting period of a few days to a few weeks before payment begins. Premium costs are based upon the amount of income that is to be replaced and the length of time for which payments will be made, if required.

Considerations in Buying Health Insurance

There are questions that everyone should ask themselves before buying health insurance.

What types of expenses are covered? A health insurance policy should cover hospitalization, regular medical procedures (drugs, x-rays, etc.), surgical procedures, major medical, and disability income.

Does the policy provide adequate benefits? There are basically two types

of benefits--services and cash indemnities. Service benefits are recommended because the insurance company will generally pay all costs, while with cash indemnity one may end up paying 50 percent of the cost. It is a good rule to determine whether all benefits cover at least 75 percent of the total cost. If not, buy more insurance.

Are you familiar with policy terms? It is often very easy to misinterpret a term and, to your grief, find out it will not cover what you thought it would, especially after you are in the hospital. Is there a waiting period before benefits begin? Check with a hospital business office on policy terms.

Are your dependents covered adequately? All children should be covered from birth until they leave home. It would be worthwhile for your children if you have an option in your policy allowing them to continue their own policies under their own finances when they become ineligible under yours.

Are you sure about the deductible clause in your policy? When there is a $500 deductible on a major medical expense plan, this means that the insurance company will not pay a bill under $500. Does this satisfy budget needs?

Does your policy provide for renewal? Most group insurance plans allow for renewal. However, some companies will not renew unless specifically stated in the contract. Any concealment or misrepresentation can cause refusal to renew.

Are you getting the most for your money? Always read the fine print and, if confused, ask your doctor. Always pay your premium annually or quarterly and by mail, not by an agent who goes from door to door. It's more expensive that way.

Group Plans

Group plans generally are the best because people are insured all together under one policy for identical rates and coverage without the necessity of medical examinations. Most group policies are written on the employees of business organizations or on people of one particular profession. If one must switch

from a group to an individual plan, there may be waiting periods involved. Get transfer options in the new policy that will negate waiting periods.

Group health insurance operates similar to life insurance in that the cost is determined by expected losses, as indicated by age, environment, occupations, and general health of group members. Rates are lower than for individual policies because sales and administrative costs are reduced when just one policy is issued to a large group of people.

Duplicate coverage is a waste of money because no more than total medical costs will be paid, regardless of the amount of insurance carried. When buying insurance, get a policy that will supplement (not duplicate) the present one.

Dental Insurance

Dental insurance is a fast-growing fringe benefit. About 19 percent of businesses have dental insurance plans. In most cases, premiums averaging around $10 per month for a family are paid by the company. However, for most families who pay their own individual insurance premiums, dental insurance costs more than the benefits likely to be received.

Health Maintenance Organization

Health maintenance organizations offer group health care for a prepaid amount. There are over 300 of the preventive medical groups in the United States. The average yearly cost of membership is about $150 per person or $450 per family. The insured pays a set amount each month, regardless of whether or not he is sick. This entitles him to seek health care at participating clinics at any time for no additional charge, even though the illness may be major and involve high costs.

Regular examinations and preventive health care are encouraged. Psychiatric, dental, and eye care may or may not be included--depending upon the group.

Employer-Paid Insurance

Workmen's Compensation

Workmen's compensation is a form of insurance for which employers pay in order that their employees may be reimbursed for losses suffered from injury occurring on the job. Benefits are paid directly to the worker or to his sur[illegible]ors.

Un[illegible]oyment Insurance

Unemployment insurance is for the purpose of providing workers with some income, even though they are out of a job. This program is operated by each state under guidelines set by the federal government.

Unemployment benefits are based upon the worker's earnings over a specified period. To be eligible for benefits, a person must have worked for a certain period of time, be unemployed for a certain length of time, and be unemployed through no fault of his own. He must also be available to return to work.

Benefits vary from state to state and with economic cycles. However, a set amount is paid each week to the unemployed individual for up to 26 weeks in most cases. There is usually a waiting period of about two weeks after employment is terminated before collections can begin.

Other Insurance

For automobile insurance, see page 31.

For homeowner's insurance, see page 124.

For Social Security insurance, see page 225.

LEGAL

DECEPTION, FRAUD AND BROKEN PROMISES

All products and services which the consumer buys (or sells) are done so, legally, by making a contract. A contract is simply an agreement which the court will enforce. If one party breaks the agreement, the other party can sue in court.

Some Key Points About Contracts

1. Not all contracts must be written. Oral agreements are often satisfactory.
2. Written evidence is needed to prove a contract that involves, among other things:
    a. A promise to pay the debt of another
    b. An agreement to sell real estate
    c. A lease for over one year
    d. An agreement for the sale of goods which exceeds $500
    e. Any agreement which cannot possibly be fully performed within one year
3. If you sign a written contract you are bound by what it says even if you did not read it.
4. It may make little difference what the salesperson told you if the contract you sign says different things.
5. Nonwritten agreements, although legal in most transactions, are hard to prove to a court.
6. Before one can depend on a contract's being enforceable, it must involve enough money to make it economically feasible to take a case to court and to pay an attorney.
7. Most consumer contracts are unenforceable by the consumer since it would cost too much to enfore them in court.
8. Many consumer contracts are enforceable by businesses since they may already have an attorney working for them.

Before You Sign Anything

1. Read the agreement!

2. If the agreement involves something major (for instance, the purchase of a new car on installments), do not sign unless you understand all of the papers you are to sign (and it would be unusual if you could understand some of the legal "garbage" in many agreements).

3. Demand the right to take the forms for a day or so to study them and to get advice. Show them to a friend knowledgeable in business or law. Otherwise, take them to your banker or see a lawyer. Find out exactly what the agreement says to be sure that it is fair and what you had originally anticipated.

4. If blanks on the preprinted forms are not completely filled in before you sign, ask the seller why. If they are not needed, then place "XXXXX" in the blanks.

5. Make sure that all copies they wish you to sign are actually copies of the original which you have read.

Guarantees and Warranties

A guarantee and a warranty are two different words meaning the same thing. In this discussion we will use the word "warranty." A warranty is any promise of fact made by the seller, whether face to face, in a T.V. advertisement, or even on a label attached to a container. Furthermore, in many sales of goods there are automatic warranties (unless the written contract excludes them--and they often do) guarantee that the goods you have purchased are of average quality and fit for the purpose they are intended to fill.

If the seller or manufacturer gives a warranty in writing, or by other means discussed above, the law states that he must live up to the promises stated in the agreement. However, many warranties are broken in consumer cases without legal action against the seller due to the small size of the potential legal action and the large costs of taking such action.

1. Warranties may be oral or written

2. You may have warranties which are not in the official written warranty, but which are on the label, in an advertisement, or established by law.

3. Legal enforcement of warranties is often not economically feasible.

4. If you do business with reputable retail establishments, they will generally uphold their warranties completely. If not, refer to the complaint procedure on the following pages.

The Federal Magnuson-Moss Warranties Law

A recent law enacted by Congress requires that sellers who give warranties or guarantees must meet certain requirements if the goods they are selling cost the consumer $10 or more. In such a case a warranty must be labelled a "FULL WARRANTY" or a "LIMITED WARRANTY." It will be a complete guarantee for the time stated. However, if it is labelled limited warranty, watch out. Loopholes are permitted in the small print. Thus, a "LIMITED FIVE-YEAR WARRANTY" may cover parts only, not labor, or may be applicable only in certain circumstances (for instance, the guarantee applies if the product is damaged by a heard of elephants at high noon).

IF IN SHOPPING YOU FIND TWO OR MORE BRANDS WHICH APPEAR TO BE SIMILAR IN PRICE AND QUALITY, CHECK THE WARRANTIES AND BUY THE PRODUCT WITH A "FULL WARRANTY"

Door-to-Door Sales

Traditionally door-to-door selling tactics have often used deceptive claims and high pressure sales efforts. Recognizing the special abuses often present, both the Tennessee law and Federal regulations have provided for a three-day cooling off period in door-to-door sales. Some of the major points are as follows:

1. A door-to-door sales contract is any sale made where the sales person

approaches the consumer away from the place of business of the seller, and without the prior request of the buyer.

2. The consumer's right to cancel the contract or agreement lasts until midnight of the third business day (Sundays and holidays are not counted).

3. The consumer may cancel for any reason, or for no reason at all.

4. Under Federal regulations, all the consumer does is sign a form left with him at the time of the sale and mail it by midnight of the third business day following the sale.

5. Under state law the consumer must write his own letter of cancellation.

6. Upon cancellation within the correct time period, the seller must return all down payments, contracts, notes, etc. There can be no cancellation fee.

7. The laws do <u>not</u> apply to sales of insurance, real estate, farm equipment, or sales made to a business.

8. The laws do <u>not</u> apply to a sale whose total price (principal, interest, and other charges) is less than $25.00.

<u>Unordered Merchandise</u>

Under Federal law any product sent to you in the mail which is sent "without your prior, express approval" may be treated as an unconditional gift. You need <u>not</u> pay for it, or return it. You may use it in any way you wish. However, this law will not apply to book clubs or record clubs which you voluntarily joined. Nor will it apply to any merchandise sent by any means other than the U. S. Mail. Remember that United Parcel Service is not part of the U. S. Mail, thus the law would not cover its deliveries.

If the law does not apply and you do not want to pay for the goods, do not use them. Notify the seller that he has 30 days (or some reasonable time) to pick up the goods or forward to you the shipping instructions and enough money to pay shipping costs; otherwise, you will take them as a gift or throw them out.

A Complaint Procedure to Remedy Complaints of Fraud, Deception, or Broken Promises

1. Contact the sales person you dealt with, if it is feasible, and register a complaint. If your complaint is not taken care of to your satisfaction, ask the sales person the name of his boss (usually the store manager). Complain to the store manager.

2. If the manager does not resolve your complaint, ask the manager for the name and address of the president of his company. Of course, if it is a small, locally owned store, the president might be the same person you are talking to, the manager. However, if it is a chain store, this request will let the manager know you are prepared to go over his head.

3. If the store is part of a larger organization, and your complaint is unresolved at the local level, write the president a letter. If the manager of the store did not give the president's name and addres , you have two sources to determine this: (a) Advertisements, sales slips, etc., of the store which give the address of the general headquarters, thus allowing you to write a letter addressed to "President,--------Corp., Anytown, Somestate." (b) A business directory in the local library. Two common ones giving the addesses and names of officers of major companies are: Dun and Bradstreet's Director of Corporate Personnel and Standard and Poor's Business Directory.

4. Send the president a three paragraph letter:

1st paragraph: Product or service purchased, model number, serial number, etc., date of purchase, problem, and lack of response by the local store.

2nd paragraph: The specific remedy you desire. DO NOT ask for your complaint to be "taken care of" or use other general language. Rather, ask for a repair, replacement, refund,

or whatever you think is fair. Also give a date by which you expect to receive this remedy. For instance, if you are mailing the letter on March 1, state that you expect the remedy by March 21.

3rd paragraph: State what you will do if the remedy is not given by the previously mentioned date. State that you will complain, with copies of this letter, to the Federal Trade Commission, Better Business Bureau, State Attorney General, local newspapers, a trade association if you know one, or even Ralph Nader. It might be best to state the Federal Trade Commission and two others.

5. If the letter to the president of the company does not remedy the problem, complain to the persons or agencies listed in your letter. Attach copies of the letter that you wrote to the president.

Experience has shown that with regional or national clains the above procedure will be successful in obtaining a remedy in a large majority of cases. If this procedure is not successful, and your money loss is over $200, consider seeing an attorney and bringing legal action.

Should You Bring a Lawsuit?

In deciding whether to bring a lawsuit the consumer must balance the wrong that was done to him and his money loss with the time and expense of a legal action. Some relevant points include:

1. Tennessee has no real small claims court. Civil lawsuits for under $3000 will be tried in the local General Sessions Court in most areas of Tennessee.

2. The procedures of the General Sessions Courts are not easily understandable to most persons; thus, it is advisable to use an attorney.

3. In addition to the cost of an attorney, which might range from $25 to well over $100, you must pay a filing fee to the court, often $15 or $20.

4. Upon winning the lawsuit, the filing fee and other costs become part of the judgment which the other person owes you, but you still pay your own attorney in most cases.

5. Many lawyers will talk with you without charge to let you know whether you have a case worth filing.

How to Find a Lawyer and Determine His Charges

One should not be concerned with finding a lawyer only when sued or when thinking of bringing a lawsuit. A lawyer can best be used for advice and help in avoiding legal problems. And the lawyer's aid in normal consumer matters of advice is much cheaper than many think. A recent survey of consumers and lawyers conducted in Johnson City, Tennessee, showed that consumers tend to grossly overestimate a lawyer's charges for consumer legal matters:

1. Consumers overestimated the average response of lawyers' charges for drawing a will by 91%.

2. Consumers made a 340% overestimate of the average lawyer's charge for reading and giving advice on a two page credit sales contract.

3. Consumers overestimated lawyers' charges for 30 minutes of his time by 123%.

In addition, many people do not realize that lawyer's charges vary considerably from one lawyer to another in many cases. For instance, of twenty-one responses from Johnson City lawyers as to how much would be charged to a middle class person for writing a simple will the prices ranged from $12.50 to $55.00 (the average was $30.67).

Finding a good lawyer for your problem may be difficult. While the majority of lawyers are competent, like any other group of people, there are some who are of little or no service at all. The better sources of information to consult in selecting a lawyer include:

1. If you work for a company who has a lawyer, ask him whom he would recommend for your type of problem.

2. Go to your local bank and ask one of the officers of the bank. If the bankers do not want to name a particular lawyer, ask them whom they go to for legal services. Banks often have some of the best lawyers in town for non-criminal problems.

3. If your local library has a copy of Martindale-Hubbel Legal Directory, many of your hometown lawyers may be listed, along with a rating of "A", "B", or "C." Also, many lawyers advertise in this publication, giving their backgrounds, activities, fields of legal specialization, and a list of representative clients.

Defective Products

If you have been caused injury of a serious nature by a defective product, or if one in your family has died, there is a good chance that you might recover a substantial part of your damages from the seller or manufacturer. Take all of the facts to an attorney and let him decide whether to make a legal claim and sue, if necessary.

When you win a lawsuit, the court will normally award you all medical bills, lost salary, property losses, and sometimes an amount for pain and suffering. However, the attorney's fees will take from 20%-50%, usually one-third, of what you win. The advantage of paying a percentage of the settlement is that, if you don't win, you pay your attorney nothing.

If a defective product has not caused personal injury of a serious nature or death, but just a loss in value of the property purchased, follow the complaint procedure listed in the previous pages of the legal section.

CREDIT PROBLEMS

Several new Federal laws offer the consumer protection against unfair credit practices by business.

Federal Equal Credit Opportunity Act

Effective October 28, 1975, this act prohibits any creditor from discriminating against any applicant on the basis of sex or marital status. A partial list of the requirements placed on creditors (banks, finance companies, credit card companies or retail stores) includes:

1. Creditors cannot refuse to grant a separate credit account to a married woman on the basis of her sex or marital status.
2. Creditors cannot use any credit scoring system which takes into account sex or marital status.
3. Creditors cannot inquire into child-bearing intentions or birth control methods.
4. Creditors cannot discount the wife's earnings or assume her job will not continue (unless it is a part time job).
5. Creditors cannot discourage credit applications from women.

Violation of this law allows an applicant for credit to sue the creditor for actual damages, plus punitive damages of up to $10,000, plus attorney's fees.

Federal Fair Credit Billing Act

Also effective October 28, 1975, the law attempts to improve the consumer's position when the consumer has received a bill from a business which he feels is in error. Under the law:

1. The consumer may send a written complaint on separate paper identifying the account, name and error.
2. The business must acknowledge receipt of this complaint within 30 days.
3. The business must investigate the complaint and respond fully to the consumer within at least 90 days, either correcting the mistake, or explaining fully why it was not a mistake.
4. If after a full explanation the consumer still feels it was a mistake,

the consumer may file a second complaint.

5. During the time from the first complaint until the business has investigated and fully responded, the business may take no steps to collect the disputed bill. This would include a prohibition against turning the consumer's name over to a credit bureau or other outsider.

6. For an additional equal time the business cannot report the consumer as a bad credit risk. For instance, if it took the business 55 days to investigate and respond, the business cannot send out a bad credit report for 110 days from the date of the complaint.

7. If a second letter of complaint is sent after investigation and explanation, the business must not in the future report the consumer as owing money unless they also state that the bill is disputed and write the consumer giving the name and address of the agency receiving the bad report.

8. If the business fails to respond within 30 days or to investigate and report back within 90 days, they forfeit any claim to the disputed bill--up to a $50 maximum forfeiture.

9. Other violations by the business allow a lawsuit by the consumer for a minimum recovery of $100 plus attorney's fees.

10. Businesses which must abide by this law include all who allow bills to be paid in over four installments or who charge interest.

Prohibition of Holder-In-Due-Course

In the past, many consumers have been harmed by the legal doctrine of a holder-in-due-course. For example, Acme Car Sales would sell an auto to Mr. Smith for $5,000. Mr. Smith would sign an installment contract or promissory note and some other papers promising to pay for the car over the next 30 months. Acme would sell the debt to a finance company or bank almost immediately. Later the car would turn out to be a lemon and Mr. Smith could not induce Acme to fix it, so Mr. Smith would stop making payments.

But Mr. Smith would learn that he could not do this legally. The bank or finance company would be a holder-in-due-course, entitled under law to full payment from the consumer regardless of the validity of the consumer's complaint.

Effective May 14, 1976, the Federal Trade Commission has prohibited this practice where:

1. The seller originally extended the credit.
2. The seller directed the consumer to a specific bank or finance company in order to obtain a loan to pay for the item.

In such cases the consumer can refuse to pay the bank or finance company for any valid reasons the consumer would have had to refuse to pay the seller.

Credit Cards

Consumers who use BankAmericard, MasterCharge, American Express or other "third party cards" have found that they have a similar problem to the "holder-in-due-course" situation. Even though the goods they bought with their credit card were defective or never even delivered, they still owed the credit card company. Since October 28, 1975, there has been a partial solution to this problem by Federal law. If the following conditions are met, the consumer can refuse to pay the credit card company in any case in which he could have refused to pay the original merchant:

1. The purchase on credit exceeded $50.
2. The purchase was made at a store located in the same state in which the consumer lives, or
3. The purchase was made within 100 miles of the consumer's residence.

Installment Contracts

When buying a major item on credit or setting up a charge account, the business generally has the consumer sign one or more papers. These papers are not exactly the same from one business to another. Some might have more

restrictions and disagreeable points than others. Whether the paper is called an installment contract, chattel mortgage or security agreement, the consumer needs to know what the agreement states (see the earlier discussion on contracts).

Typical credit or installment contracts allow the business to repossess the goods bought and to sue the consumer for any extra owed after repossession and resale, if any of the following events occur:

1. Nonpayment or delay in payment.
2. In many cases, allowing the insurance on the goods to lapse.
3. Moving the goods out of the county listed on the agreement without the written permission of the creditor.
4. Failing to take reasonable steps to protect the goods.
5. Or, sometimes, if the creditor "deems himself insecure" for any reason.

Repossession

1. The creditor may repossess items listed on the original agreement without goint to court first, if they can be repossessed without violence or without breaking into your house.
2. If the repossessor broke into your house, threatened violence or actually used physical force against you or your family, see a lawyer. You may have a lawsuit for a substantial amount of money.
3. If you refuse to allow a repossession voluntarily, the creditor may go to court and get a court order--and add the court costs and attorney's fees to your bill.
4. In most cases you will still owe money even after the covered items are repossessed. The creditor is allowed to add the total principal and interest you would have owed thoughout the term of the credit transaction, his repossession costs, resale of the item costs, attorney's fees and court costs. From this he must substract the payments you have made and the amount received from the resale of the repossessed items. The difference remaining is called a

deficiency, and the creditor may sue the consumer for it.

Garnishments

A garnishment is a court order to your employer to deduct a certain amount from your paycheck and to send it directly to your creditor to pay a court judgment (which is often based on an unpaid bill). Although Federal law prohibits the firing of an employee for one garnishment, some employers will do so anyhow. Most employers will fire an employee who has had several garnishments filed against his or her paycheck. Thus it is important to follow the rules contained in the following section.

How to Avoid Repossessions, Garnishments and Lawsuits for Unpaid Bills

1. Of course the best defense is a good offense. Use credit wisely and don't get into a position of not paying your bills.
2. If you cannot pay all your bills in full as they become due: COMMUNICATE WITH THE CREDITORS! Let them know you are having problems and offer to pay them a partial amount each month.
3. Don't pay some bills fully and skip paying other bills entirely. Pay some amount on each of your bills.
4. Remember that the quickest way to get a creditor to repossess, garnish or sue is to avoid the creditor or do nothing at all.
5. Most creditors do not want to take legal action and will be willing to work out a new payment schedule if you convince them you are trying to pay off your debt.
6. If you receive notice that your check is being garnished, SEE A LAWYER AT ONCE. Under Tennessee law your lawyer can present a new payment schedule, and if the judge agrees with it, the garnishment will be cancelled. You can then make reduced payments on the new schedule.

Bankruptcy

1. Is a legal process that absolves a person of all prior debts.

2. If a person wants to declare bankruptcy, he must see an attorney.

3. In declaring bankruptcy, the person can exempt some of his personal property (This does not include items that are collateral on a loan or items that are not paid for).

4. After declaring bankruptcy a person cannot file again for 6 years.

5. People who have filed bankruptcy should consult their attorney before signing anything. (Some campanies will get the person to sign an acknowledgement of debt which means that even though the person has declared bankruptcy he will pay that debt.)

If someone owes you money and he has filed, or is about to file, for bankruptcy, see your attorney immediately.

Chapter 13 or Wage Earners' Plan

1. This is designed to help people who want to pay bills instead of going into bankruptcy but cannot make their monthly payments because of serious indebtedness.

2. Chapter 13 must be filed by an attorney and go through a regular court process. The court sets up monthly payments to be made to all creditors. A certain amount of the wage earner's income is turned over to the court for payment of his bills.

3. The attorney will charge a fee for his service and the wage earner will have to pay a court cost.

WILLS AND LEGAL PREPARATION OF YOUR AFFAIRS BEFORE YOU DIE

Can your survivors cope with the legal red tape that accompanies everyone's death? Would your survivors lose benefits--social security (death benefits, etc); veterans (free burial benefits, etc.); former employers; fraternal organizations; insurance, etc.--simply because they did not know to request them or where to locate your important papers, social security number, veteran's serial number and other pertinent data (billions of dollars are lost each year in benefits). Keep on hand: (1) Social Security Number;

(2) VA case number; (3) Insurance Policies numbers; (4) Retirement Plan Number.

You Can Spare Your Family These Tragedies

1. KEEP ALL IMPORTANT DOCUMENTS IN A SAFE PLACE.

2. MAKE A WILL WITH A LETTER OF INSTRUCTIONS. (FILE THE ORIGINAL WITH YOUR LAWYER AND KEEP A COPY IN A SAFE PLACE).

3. MAKE AND KEEP A PERSONAL INVENTORY--INFORMATION BOOKLET GIVING DETAILS ABOUT LIFE AND POSSESSIONS AND PROPERTIES AND WHERE TO FIND IMPORTANT DOCUMENTS.

The Office of the Director of Estate Planning and Deferred Gifts, The University of Tennessee, P. O. Box 8710, Knoxville, Tennessee 37916, has printed a Personal Information Record book. Copies are available upon request.

Before You Die

1. Obtain a written, legal will--see an attorney you can trust.

2. Appoint an executor in your will.

3. Provide a written list of important friends and relatives, including current addresses.

4. Provide several trusted persons with information as to the whereabouts (location) of the following:

   a. Your most up-to-date will;

   b. Your Social Security Number;

   c. Your Executor or Administrator;

   d. Your important documents (i.e., insurance policies, birth certificate, property deeds, retirement policies, etc.).

5. Provide instructions or information to your executor regarding funeral arrangements or, at least, indicate the absence of such arrangements.

6. Contact the Social Security Administration (637-2022) about death

benefits and how they can be secured.

7. Contact the Veterans Administration (if you are eligible) about burial benefits and how they are secured.

When To Have A Legal Checkup

A change in your will may be necessary if:

1. Your own marital status changes--widowed, divorced, etc.
2. Your beneficiary's status changes.
3. Your executor's status changes--died or moved.
4. You change addresses.
5. Federal laws or estate laws change.
6. Your estate increases or decreases.
7. You change your mind about something.

If You Die Without A Will

Property you own jointly with another person will often automatically go to the other person (except in a "Tenancy in Common"). The remainder of your property will be distributed by state law. In Tennessee it would be as follows:

TENNESSEE DESCENT LAW:

Personal Property of Deceased Person

Family Bible and Books, car, clothing, household appliances, furniture: to husband or wife, if alive; otherwise equally to children.

All other personal property (such as a boat, gun collection, etc.): 1/3 to husband or wife, if alive, 2/3 to children, if there is one or two; if more than two children: divided equally between children and husband and wife.

If no husband or wife, to the children equally.

If no children, all to the husband or wife.

If no children and no husband or wife, then to:

Parents, if alive;
If not;
↓
Brothers and sisters,
equally.
↓
If no brothers and sisters,
then equally to the heirs.

Real Property

If deceased is a Male:

2/3 to the children → Eventually, all to the children equally

1/3 to the wife, if alive
Life Estate Only → Eventually, all to the children equally

↓
If no children and no wife,
all to the man's brothers and sisters equally.
↓
If no children, no wife, no brothers and sisters, all to parents.
↓
If no parents, all to heirs.

If deceased is a Female:
↓
100% life estate to husband, if alive.
↓
Thereafter, equally to children.
↓
If no children, to brothers and sisters.
↓
If no children or brothers and sisters
to parents.
↓
If none of the above, the heirs.

Who Needs a Will?

1. Anyone who does not want his property to be distributed according to the Tennessee Descent Law.
2. Anyone who wishes to name the executor (person to handle the estate and to see that it is distributed correctly).
3. Anyone who wishes specific items to go to specific people.
4. Anyone who has young children and would like to name his choice for guardian of the children in case of the death of both parents.

5. Anyone who wishes to save money by having the executor handle the estate without the necessity of obtaining a bond (insurance policy guaranteeing honesty).

6. Any adult--whether rich or poor.

Types of Wills

1. Oral Will--almost never valid.

2. Handwritten Will--Tennessee allows a will written entirely in the handwriting of the deceased persons to be valid even without witnesses.

3. Typed or Printed Will--Must be signed by two witnesses (some states require three). These Witnesses:

   a. Must see you sign the will and then sign in your presense.

   b. Need not be told the contents of the will or read the will.

   c. Should be adults, preferably younger than yourself and likely to remain living in the community.

   d. Must not be a beneficiary under your will.

Who Should Prepare the Will

1. You may write your will entirely in your own handwriting without any formalities. However, remember that you will not be around to tell people what you intended, and your will might be read entirely differently than you intended.

2. You may use a form book available in many bookstores to prepare a typed and witnessed will with formality. But the formality contained in the nationally distributed book may not conform with Tennessee law. You may also not be saying what you mean.

3. You can see a lawyer and have him prepare the will at a moderate cost.

Why You Should Obtain a Lawyer to Prepare a Will

People who write their own wills or use form books often make serious mistakes. For instance: A man wanted his children to share his property

equally at death, so he wrote: "I leave my property to be divided equally among my heirs." At death he had 5 children, 19 grandchildren, 10 nephews and nieces and 27 grandnephews and grandnieces. Each might receive 1/62 of his property, for all are his heirs, not just his children.

Recently an East Tennessee man wrote his own will creating a $50,000 trust fund "to be held at the _____Bank" for his son until the son reaches 18 years of age. His son needs to invest the money into the family business, but cannot do so even though the family corporation can give him a mortgage of twice the value, thus making it a very safe investment. A well written trust provision would have solved the problem

An attorney can foresee problems that you cannot. In addition, he knows the correct legal language to use to achieve specific intentions. The average charge in Tennessee for a simple will written for a middle class individual would be around $25 to $60 dollars.

Some Misconceptions About Wills

1. It is not true that a man can totally disinherit his wife or vice versa. The spouse can always elect to take the share he or she would have received if there had been no will, under the Tennessee Descent Law.
2. It is true that one can totally disinherit a child. However, the will must clearly show this to be the intent. One should mention the child by name and state that the child is to receive nothing.
3. You do not avoid probate court by not having a will. Your estate will need to be probated under either the Tennessee Descent Law, if you have no will, or your will.
4. You do not avoid death taxes by having no will. In fact, a lack of a will and proper planning may cause the taxes to be higher.
5. Signed deeds to your real estate held by you to be delivered after your death will not substitute for a will.

6. Wills may be revoked or changed at anytime you are still competent, by adding a new clause with the proper formalities (called a codicil), writing a new will, or tearing up the old will.

CRIMINAL LAW

If You Are Stopped By A Policeman

1. Do not try to run away--even if you have not done anything.

2. If he asks you what happened, you can tell him what you saw, or you can say, "I don't want to get involved." Don't lie.

3. If he asks you what you did, you do not have to answer him. You can ask him if you are under arrest. If he says, "No," you should ask, "Can I go?" If he says you can go, leave the scene.

4. If he will not let you go, you are under arrest! You don't have to answer any more questions. You may call a lawyer.

5. Always answer the policeman's questions truthfully, or refuse to answer. Never lie.

What To Do If You Are Arrested

Don't Resist

The policeman may use all force necessary to make the arrest, even if you know you're not guilty. You do not have the right to resist the arrest.

You do not have to tell the police anything but your name and address until you see a lawyer.

Get a lawyer, or ask for one. If you are ever arrested, you will be practically helpless without a lawyer to advise you.

Call someone who can help you. You should be allowed to make one phone call from the police station. Call your family, or a lawyer if you know one. Don;t call a friend who won't do anything to help.

When You Get A Legal Notice

Like a summons, or an eviction notice, get a lawyer fast! If you don't, you'll probably loose automatically, even if you're in the right.

Important parts of the summons:

The plaintiff is the one who sues.

The defendant is the one being sued. (The plaintiff makes the complaint. The defendant has to defend himself against the lawsuit.)

The amount of the suit will be stated in the summons.

Your Rights If You Are Arrested

1. You have the right to know what you are being arrested for.
2. You don't have to tell the police anything but your name and address. (If you do tell the police anything, they can use whatever you say against you at your trial.)
3. You have the right to speak to a lawyer before you are questioned by a policeman, and you have the right to have your lawyer with you during the questioning.
4. You don't have to answer any questions until you get a lawyer.
5. If you don't have a lawyer, ask for one. The police will get you one, and you don't have to pay if you are unable to.

Types of Crimes

1. Felonies--The more-serious crimes, such as murder, rape, robbery, arson, burglary.
2. Misdemeanors--The smaller, less-serious crimes, such as assault and battery, disorderly conduct, drunkenness, etc.
3. Violation of a city ordinance--Offense, such as overtime parking, speeding, etc.
4. Homicide--The killing of one human being by another.

5. Murder in the first degree--When the act is done with deliberate planning.

6. Murder in the second degree--A less-serious crime than first degree. Killing is done without planning.

COPY OF A SUMMONS

IN THE CIVIL COURT FOR THE COUNTY OF _____
STATE OF TENNESSEE

THE ONE WHO SUES
Plaintiff

CIVIL ACTION

THE ONE BEING SUED
Defendant

FILE NO._____

C O M P L A I N T

THE PLAINTIFF'S COMPLAINT SHOWS:

1.

THAT THE DEFENDANT IS A RESIDENT OF THIS COUNTY AND SUBJECT TO THE JURISDICTION OF THIS COURT.

2.

THAT DEFENDANT OWES PLAINTIFF $_____, ACCORDING TO THE ACCOUNT HERETO ANNEXED AS EXHIBIT A.

WHEREFORE, PLAINTIFF DEMANDS JUDGMENT AGAINST DEFENDANT FOR THE AMOUNT SHOWN ABOVE, PLUS INTEREST AND COSTS.

_____
Attorneys for Plaintiff

A SUMMONS WILL BE DELIVERED BY A REPRESENTATIVE OF THE COURT. A SUMMONS WILL NEVER BE SENT BY MAIL. EXAMPLE: SOME COMPANIES MAIL A FAKE SUMMONS TO PRESSURE PEOPLE INTO PAYING THEIR BILL BY MAKING THEM BELIEVE IT IS A REAL COURT SUMMONS.

How A Civil Lawsuit Works

Example: Al Appleby was hit by a car driven by Zena Lachhavis. Al believes that the accident was caused by Zeno's carelessness. Al wants to sue Zeno and get Zeno to pay for his injuries.

1. Al goes to a lawyer.

2. Al's lawyer tries to get Zeno to settle out of court. Zeno says "NO."

3. Al's lawyer writes up two legal papers. (a) The complaint states that Al was harmed by Zeno's careless driving and demands that Zeno pay $10,000. (b) The summons tells Zeno to answer the complaint in a standard legal manner.

4. Zeno is served with the summons and complaint ("Served" means that the papers are given to Zeno.)

5. Zeno tells his lawyer his side of the story.

6. Zeno's lawyer writes up an official answer to Al's complaint. He says the accident was not Zeno's fault.

7. Both Al and Zeno may be questioned by each other's lawyer.

8. The case comes to trial.

9. If the trial ends in Al's favor, the judge will issue a judgment ordering Zeno to pay Al.

Lawsuits can take from six months to five years or even longer to be completed.

Remember! Almost anyone can be sued. In some cases, it is not worth the cost in attorney's fees to file a suit. Example: Miss X takes her car to be repaired. The company does not fix the car and Miss X refuses to pay the $60 bill. It would probably cost the company more to sue than to forget the bill, but the company can still sue for the bill. A consumer should always know that there is a possibility that he may be sued.

Civil Laws

Civil laws relate to the method of settling disputes between people.

1. Civil laws differ from criminal laws. Criminal laws involve the State's seeking to punish people committing crimes by a fine or jail sentence. Civil suits are not concerned with criminal punishment.

2. How a civil lawsuit works. If you sue or are sued under the civil law, there may be a trial, but the police don't have to be involved. There is no arrest. No one will be sent to jail.

Main Steps Involved In A Criminal Case

1. Arrest.

2. Booking--A record of the arrest will be made.

3. Charge--The person will be taken before a judge and officially told what he is accused of.

4. Trial--Court proceeding to decide if the person is guilty of whatever he is charged with.

5. Sentence--If the person is found guilty he will be sentenced by the judge.

See A Lawyer When

1. You get a legal notice (summons or eviction).

2. You are in an accident where someone is hurt or property is damaged.

3. You want to make someone do what he is supposed to do legally.

4. You want to get a separation or divorce.

5. You want to declare bankruptcy or file a Chapter 13.

6. You are asked to sign something you don't understand.

Legal Gem: There is a legal remedy for most wrongs. Do not rely on non-lawyers for legal advice.

MARRIAGE

A marriage not solemnized by any type of ceremony but created by an agreement to marry, followed by cohabitation and a public representation as

husband and wife is a common-law marriage. Although Tennessee does not recognize such a marriage if entered into in Tennessee, it does recognize it as valid if it was entered into in a state that does recognize it.

DIVORCE

To get a divorce in Tennessee at the present time one must have grounds. The following are some of the grounds: adultery, desertion for one year, habitual drunkenness or abuse of drugs, abandonment and non-support, and cruel and inhuman treatment.

The wife might also be awarded child support and/or alimony. A refusal by the former husband to pay such an award could lead to further legal proceedings and possibly jail.

If the wife sues for the divorce, it is possible for the court to order the husband to pay her attorney's fee.

A marriage might also be dissolved by annulment. The following are some of the grounds: prior existing marriage, fraud, insanity, impotence, underage, violation of state laws, and ceremony performed by unauthorized official.

Tennessee is considering the adoption of "no-fault" divorce laws. If adopted, this would change the present concept of divorce requirements.

INCOME TAXES

When filing your income tax, always contact the IRS for information or questions about your personal tax forms, deductibles, etc. You may even take your tax forms to the local IRS office for assistance in filling out the necessary information. There is no charge for this service.

In some cases, if your tax returns are complex and you do not wish to take the time to fill them out, a person may see a tax accountant, attorney, or a local tax assistance outlet. These sources of information will charge varying amounts for their services and may not be of significant benefit to the individual taxpayer under ordinary conditions.

Every citizen or resident of the U.S., whether an adult or minor, may be subject to paying income tax or may be eligible to receive earned income tax credit!

You must file a return if you are:

1. Single and under 65 with gross income of $2,350.*
2. Single and 65 or over with gross income of $3,100* or more.
3. Married filing jointly, both under 65, with gross income of $3,400* or more.
4. Married filing jointly, both over 65, with gross income of $4,900* or more.
5. Married couples filing jointly, only one spouse over 65, with gross income of $4,150.*
6. Married individual filing separate returns--$750* or more.
7. Surviving spouse (for 2 years after year of decease of spouse) gross income of $2,650* or more.

* Amounts are valid only for 1975.

If income taxes are withheld, even though you did not have to file a return or had no tax liability, you MUST file a return to get a refund. Also, if a taxpayer with family earns wages and does not have tax liability, he still should file in order to get tax-earned income credit.

Earned income tax credit for low income workers - If you earn $4,000 or less, you get "earned income." For income over $4,000 and up to $8,000, you get tax credit on gradually decreasing scale.

Form 1040A is a simple form now available for those with income from wages, salaries, tips, etc., with not more than $200 in dividend or interest income, who do not itemize deductions and who have incomes up to $15,000 or more.

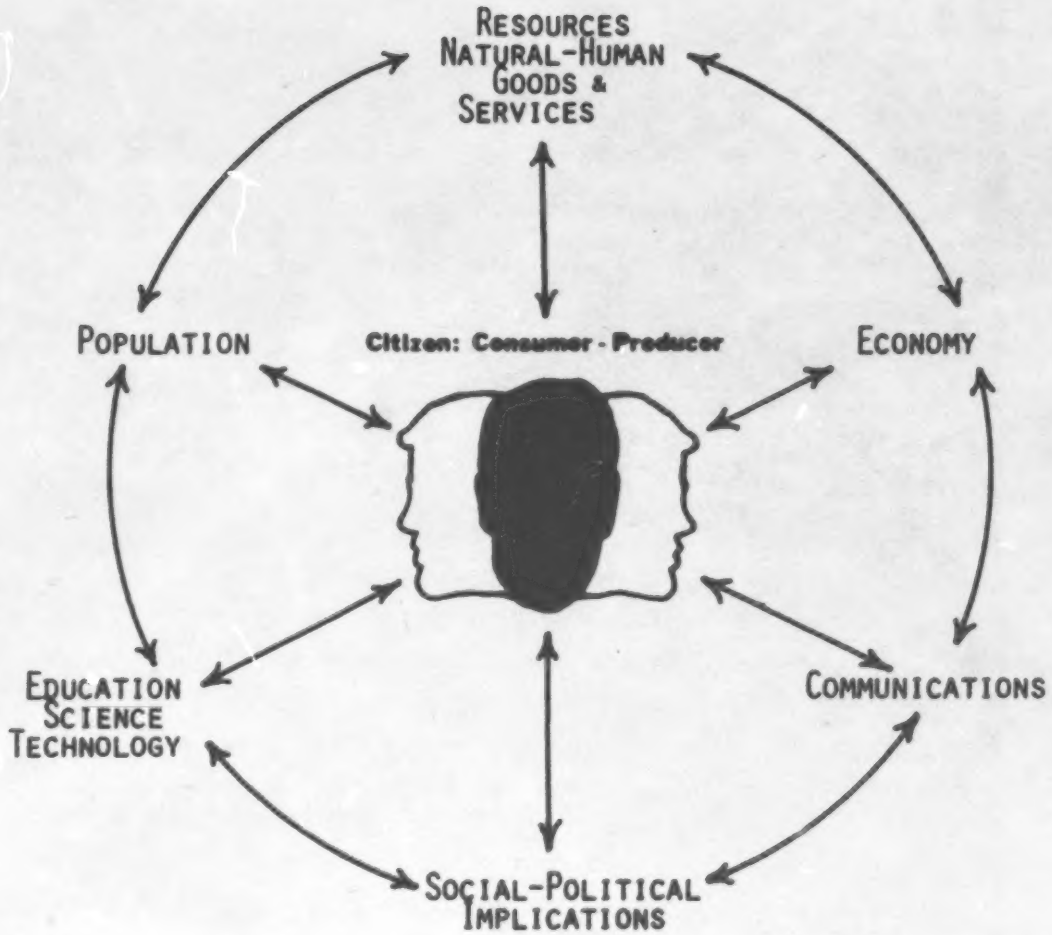
Child Care Deduction (a permanent change)

Families with joint incomes up to $35,000 may now deduct full cost of child care (to a maximum of $4,800); families between $35,000 & $44,600 may deduct partial costs.

Tax Deferral on Sale of Home (a permanent change)

If you sold your principal residence after December 31, 1974, and want to defer paying taxes on your capital gain, you may now wait up to 18 months (rather than 12) before reinvesting your proceeds in a new principal residence. If you are having your own individual home built to your specifications, you may now wait up to 24 months before reinvesting.

TAX RETURNS MUST BE FILED NO LATER THAN APRIL 15, OF THE FOLLOWING YEAR TO THE INTERNAL REVENUE SERVICE.



THE KEY TO A FREE ECONOMIC SOCIETY

IS THE INDIVIDUAL.

MEDICAL

Warning signs: Look out for a Quack!

1. The machine that does everything.
2. The attack on other doctors.
3. Use of testimonials.
4. Guarantee of a cure.
5. Advertising--Licensed Physicians and Dentists do not advertise.

When You Need Medical Help Fast Call:

. . . . Police emergency number (or dial "0" for operator)

. . . . Doctor's emergency service, look in Yellow Pages of the phone book under physicians & surgeons (M.D.) or dial "0" for operator

. . . . Dentist's emergency service, look in Yellow Pages of the phone book under dentists or dial "0" for operator

. . . . Suicide and Crisis, line numbers are available in most communities. Look in Yellow Pages of the phone book or dial "0" for operator

The local hospital Emergency Room will have the telephone number for the nearest Poison Control Center. This number can be called and immediate aid or directions will be given for poisoning cases.

Areas Where Medical Frauds Or Phony Claims Are Often Found

1. Losing weight
2. Bust developers
3. Baldness cures
4. Health food fads
5. Vitamins
6. Buying eyeglasses or false teeth by mail

Services Provided By Local Health Departments

The State of Tennessee has local health departments in many counties, which provide personal and environmental health services to the citizens of the county.

Personal health services include immunizations against communicable diseases for pre-school and school age children, prenatal and post-partum care of pregnant women and young mothers, family planning services, referral of school children for needed care or corrections of remedial defects and health guidance for adults with long term illness. In some counties staffing permits home care; a few counties have child guidance and other mental health services.

Because of a wide range in staff and county sizes, the number of clinics held and home visits made to citizens varies considerably over the state. A telephone call or visit to the local or state health department can provide specific information about personal health services available in your county. The public health nurse is concerned about your health and will do everything she can to help you, or, she will refer you to the person or agency that can help.

The sanitation engineer in the health department is prepared to give assistance in the area of environmental health. This would include any problems or questions you have concerning the safety of your food and water supplies and problems related to disposal of sewage and solid waste. He will be able to help you whether you live in the country or the city and whether you have running water or a well. He is also concerned with the protection of public water and food supplies and with prevention of air and water pollution.

Buying Drugs

. . . . Ask your doctor to tell you the "generic" (general) name of the medicine he prescribes.

. . . . Buy the lowest price aspirin available.

. . . . Don't buy drugs that claim to "cure" colds.

. . . . Beware of advertising claims that "This drug can cure all."

Read labels. Be aware of the directions on the label. Pay attention to the warnings. Example: Do not apply to broken skin. Do not drive while taking. Do not exceed recommended dosage.

Length of Use.

Be careful not to use drugs for extended periods of time. Check with your doctor before continuing to purchase the same drug time after time.

Home Medicine Chest.

It would be wise to have the following medicines in your chest:

. . . . Sodium bicarbonate (for simple heartburn)

. . . . Zinc oxide paste (for skin irritations)

. . . . Neo-synephrine (nose drops)

. . . . Milk of magnesia (mild laxative)

. . . . Aspirin (plain without any additives) Avoid buying candy-flavored aspirin for children. They may help themselves when you are not looking. Large doses of aspirin are poisonous. If you must make the aspirin sweet for a child, mash up and add honey or jelly.

. . . . Gauze and tape (for large cuts)

. . . . Band-aids (for small cuts)

. . . . Alcohol (Do not put directly in wound - use it to clean around wound) Wash wound with soap and water or have the person take a bath. then apply "vaseline" if this is a shallow wound or scrape.

. . . . Sewing needle (sterilize with alcohol each time you need it for removing a splinter or small piece of glass)

. . . . Vaseline petroleum jelly (for small burns) For large burns cover with clean sheet and take to a doctor quickly. Keep a list of your doctors, hospital nearest you, and local druggist.

The Hospital

Kinds of Hospitals

1. General Hospital
2. Special Disease Hospital
3. Chronic, Convalescent, or Long-term-care hospital

Costs of Hospital Services

Costs are figured on a day-rate basis and depend on your accommodations - if private, semi-private, or multiple room. Charges include general nursing care and meals. Charges for operating room, anesthesia, drugs, lab tests, etc., are added to day-rate charges.

Source of Hospital Protection

Government-sponsored, tax-supported programs:

Medicare--For citizens age 65 or older, under the social security act, offers two types of protection:

1. The basic hospital plan
2. The supplementary medical insurance plan

Medicaid--For complete information on Medicaid & Medicare, see Medicaid and Medicare section.

Professional Services and Facilities

The Physician

A general practitioner, frequently referred to as a family physician or doctor, is trained in all phases of medicine and treats a wide variety of bodily illnesses.

A specialist is a physician who is trained in all phases of medicine, but has concentrated on the diagnosis and treatment of a special area of the body or a special branch of medical practice. Examples:

. . . . Surgeon--Operations for any of a variety of physical conditions.

. . . . Obstetrician-- Medical care during pregnancy and birth.

. . . . Dermatologist--Diseases affecting the skin.

. . . . Orthopedic--Bone specialist.

. . . . Pediatrician--Specialty in disease of children.

. . . . Opthomologist--Specialty in disease of eyes.

First Aid

To control bleeding- Cover wound with cleanest cloth available and press hard.

To give artificial respiration (mouth-to-mouth): Place victim on his back, tilt head back so that the chin points up, pinch nostrils, blow air into his lungs; every five (5) seconds for adults, every three (3) seconds for children.

American Medical Association's First Aid Manual

Write to: American Medical Association, Department of Health Education, 535 North Dearborn Street, Chicago, Illinois 60610 Manual costs $ .15.

MEDICAID

What is Medicaid?

Medicaid is a medical care program administered by the Tennessee Department of Public Health for people receiving public assistance and for other persons who are in need according to welfare standards. The Department of Public Welfare certifies needy people as eligible, and the Department of Public Health pays for the medical services. It is financed through approximately 25% state and approximately 75% Federal taxes.

Who Is Eligible For Medicaid?

1. All recipients of Old Age Assistance, Aid to the Blind, Aid to the Disabled, and Aid to Families with Dependent Children. This includes persons 65 years of age and over who do not receive a monthly check, but who are living in intermediate care facilites (homes for the aged or nursing homes that are not providing skilled nursing care) with the Welfare Department paying part of the cost of care. In AFDC families all children included in the grant are eligible. Also, the relative who takes care of the child, or both parents, may be eligible if they are included in the grant.

2. Children in foster care whose expenses are paid with AFDC funds.

3. Young people between 18 and 21 years of age who would be eligible for AFDC except that they are not in school.

4. Persons who would be eligible for an assistance grant if they were not receiving Special Age-72 benefits from the Federal government.

5. Certain persons who are living voluntarily in a public institution, not as inmates but as patients receiving medical care, and who would be eligible for an assistance payment if they were not in the institution.

How Does A Person Apply For Medicaid?

A person applies for Medicaid at the county welfare office in exactly the same way he would apply for an assistance grant. Persons who are already re-

ceiving financial assistance do not need to apply, as they are automatically certified for Medicaid benefits.

What Benefits Are Provided?

1. Inpatient hospital services. A maximum of 20 days per fiscal year, July 1 - June 30,including the cost of the first three pints of blood.
2. Outpatient hospital services. A maximum of 30 visits per fiscal year.
3. Other laboratory and X-ray services. A maximum of 30 occasions per fiscal year.
4. Intermediate nursing care facilities no limit on number of days.
5. Family planning and counseling services administered through the local public health offices in each county.
6. Skilled nursing home services. A maximum of 90 days per fiscal year for recipients 21 years of age and older. A 30 day extension may be granted based upon the need determined by the doctor or nurse.
7. Physicians' services. No limit on the number of visits.
8. Home health care services. 60 visits per fiscal year.
9. Prescribed drugs. Prescribed legend drugs and insulin, not to exceed a 30-day supply on one prescription, and not more than two refills.
10. Periodic screening, diagnosis, and treatment, for persons under 21 years of age.
11. Eye glasses, dental, speech and hearing aids, artificial limbs or organs, braces, and related services.
12. Inpatient hospital and skilled nursing home care in approved facilities for tuberculosis and mental diseases. For persons 65 years of age and over, no limit on number of days.
13. Ambulance services.
14. Blood (when not available from other sources).

What Does Medicaid Do For Elderly Persons Who Are Also Covered By Medicare?

Medicaid does not provide benefits that are available to a person through Medicare. For persons eligible for Medicare benefits, Medicaid supplements Medicare by paying the deductibles and most of the co-insurance charges which would otherwise be charged to the individual. It also provides prescribed drugs and 90 days of skilled nursing home care for this group.

How Does A Person Get Medicaid Benefits?

The Department of Public Welfare mails a Medicaid Eligibility Card each month to all persons who are eligible for benefits. With this card, a person may receive medical treatment from any licensed physician or practitioner who is participating in the Medicaid program. He may also obtain prescribed drugs from any participating pharmacy and, upon the written order of a physician, may receive care from any participating hospital, skilled nursing home, or home health service.

What Should A Person Do If He Feels He Is Not Treated Fairly By A Physician, Pharmacist, Hospital, Or Other Provider Of Services?

He should contact the regional Medicaid Administrator or the Medicaid Division of the Tennessee Department of Public Health.

What Should A Person Do If He Feels That He Is Not Treated Fairly By The County Welfare Office?

If he does not get a decision on his application within 30 days (60 days if he is permanently and totally disabled), or if he is not satisfied with the decision, or with any other action in connection with his application for Medicaid, he should talk to his welfare worker or the county director. They will go over the facts in his case, and correct any error that has been made. If he is still not satisfied, he may appeal his case to the state office of the Department of Public Welfare within 10 days after he receives final written notice of the decision.

How Does A Person Appeal To The State Welfare Department?

He should ask his welfare worker for a form to fill out, or he may write a letter asking for a fair hearing. An appeals examiner will come from the state office to hold the hearing, and someone from the county office will be present. At the hearing the person will have a chance to tell why he thinks the action of the county office was not fair. He may bring along anyone who can help him prove his statements. The appeals examiner will write a report after the hearing and the Commissioner of Public Welfare will make the final

decision on the case, based on facts given in the report.

How Does The Civil Rights Act Affect Medicaid?

Medicaid is covered by the Civil Rights Act of 1964 which provides that no person shall be denied the benefits or services of any federally-aided program because of his race, color, or national origin.

Is Anything Required Of A Person Who Has Been Certified As Eligible For Medicaid Benefits?

Yes. He must notify the welfare worker right away of any change in his financial circumstances or living conditions.

What Happens If A Person Receives Medicaid Benefits Because He Failed To Give The Welfare Department The True Facts?

It is against the law to withhold information or to give false information to the Welfare Department in order to get medical benefits, and the case can be taken to court if the person does not pay the cost of any benefits he received when he was not eligible.

MEDICARE

What Is Medicare?

. . . . Medicare is a health insurance program operating under Social Security that helps Americans 65 and older pay for health services.

. . . . Medicare has two parts: Hospital and Medical insurance.

. . . . Medicare is available to all persons 65 and older who have worked under Social Security or Railroad retirement benefits whether he is retiring or not retiring.

Qualifications For Medicare

. . . . A person must be 65 and have filed an application (preferably 3 months before the month of his 65th birthday) for health (hospital) insurance protection and also for the medical insurance protection which is a voluntary insurance plan.

. . . . If you fail to sign up in the designated period, you can try again the first three months of the following years; there is a small fee for late enrollments.

. . . . He must be a resident of the U. S.

. . . . He must be a citizen or an alien lawfully admitted or permanent resident who has continuously resided in the U. S. for not less than 5 years immediately before the month in which he files application.

Types Of Insurance

. . . . Medical insurance is voluntary whereas Hospital insurance is automatically provided upon application.

. . . . There is a small premium for Medical insurance. This premium is matched equally by the government. The premium is 6% a month automatically deducted from social security check.

Hospital Insurance

. . . . Hospital insurance does not pay your doctor bills or certain other bills such as outpatient hospital care, ambulance service, rental on medical equipment, first 3 pints of blood, and convenience items such as telephone, etc. The addition of Medical insurance will help pay for these additional expenses.

. . . . Hospital insurance will pay for the following:

1. Up to 90 days of inpatient care in any participating hospital. (It pays everything for the first 60 days except $92.00. From the 61st to the 90th day, it pays all expenses except $23.00 per day.

2. It allows you an additional "lifetime reserve" of 60 days, some or all of which can be used if you should need more than 90 days in any benefit period, in which they pay all but $46.00 a day.

3. It also provides for certain home services (1,000 visits by therapist) and continued treatment and health care services (up to 100 days in each benefit period) in a qualified extended-care facility specially staffed and equipped to provide these services, in which it pays for all covered services for the first 20 days and all but $11.50 a day for up to 80 more days beyond the first 20 days.

4. These extended services are available if you are admitted 14 days after you are discharged from a hospital where you were an inpatient for 3 or more days.

What Is Included In Your Hospital Care?

. . . . Bed (semi-private), meals, including special diets

. . . . Operating room charges

. . . . Regular nursing services (including intensive care)

. . . . Drugs furnished by hospital

. . . . Laboratory tests

. . . . X-ray and other radiology services

. . . . Splints and casts (and other medical supplies)

. . . . Use of equipment furnished by hospital (such as wheel chair, crutches, etc.)

. . . . Medical social services

It Does Not Pay For:

. . . . Personal convenience items (telephone charges, radio, etc.)

. . . . Private duty nurses

. . . . Extra charge for private room unless needed for medical reasons

. . . . Non-covered levels of care

. . . . Doctor's services (medical insurance pays for these)

Medical Insurance

. . . . Medical insurance helps pay for the following:

1. Physician's bills

2. 100 health visits per year by a health company

3. X-rays, splints, casts, medical equipment, wheelchairs, artificial

organs, and surgical dressings.

You pay a monthly premium for your medical insurance, which is matched by the government. You do not automatically qualify for the insurance. It is your option to have the medical insurance. The premium rate is reviewed annually and may change from time to time. Medical insurance is automatically deducted from monthly checks for those who receive social security benefits, railroad retirement benefits, or a civil service annuity. If you do not receive these monthly checks, premiums are paid directly to the Social Security Administration (or in some cases, premiums are paid on behalf of those under a State Assistance Program).

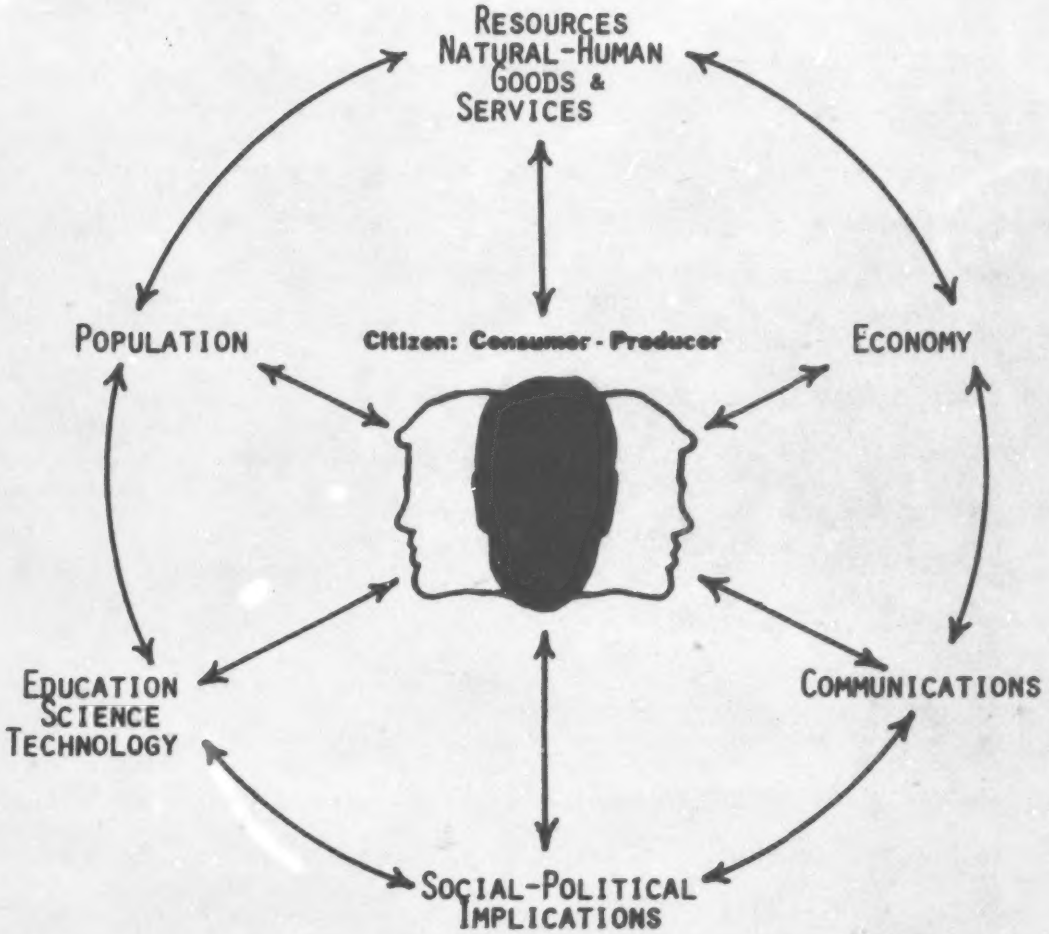
You can only sign up for medical insurance during particular periods. The first period begins three months before the month you reach 65 and ends three months after the month of your 65th birthday. If you fail to sign up at this time, you may try again the first three months of following years.

The current premium rate varies as to when an individual signed up. There is a slight increase for those who did not sign up upon reaching their 65th birthday. Monthly premium costs are approximately $7.00 a month.

Your medical insurance pays for covered services except for the first $60 in a calendar year. This $60 is paid only once a year. Once this first $60 is paid, medical insurance will pay 80 per cent of the reasonable charges for covered services for the rest of the year, and for all X-ray or laboratory charges. Be sure to send in a "claim" as soon as your bills reach $60. You may obtain the Request for Medicare Payment claim form from your Social Security Administration office. In Tennessee, send your claim form to:

Medicare
The Equitable Life Assurance Society
P. O. Box 1465
Nashville, Tennessee 37202

Be sure to check with your doctor and/or your local Social Security Administration for more specific information if there are questions as to what medical insurance covers. If A Person Is Insured Under Social Security And Becomes Disabled (At Any Age) He Can Qualify For Medicare Benefits In The 25th Month After Entitlement.



THE KEY TO A FREE ECONOMIC SOCIETY

IS THE INDIVIDUAL.

MONEY MANAGEMENT

Three major steps in money management are planning goals, determining a spending plan, and keeping records of spending. Those three steps can help you to develop a plan by which you can get more satisfaction from spending your money, more for your money, and a wiser plan for all your spending and saving.

Planning Goals

Your income, attitudes, personality, taste, ambitions, and spending habits all determine how you spend your money. "Good living" does not have to be "expensive living." If you buy impulsively, however, you may ask later, "Where did all my money go? I have nothing to show for it!" Analyzing the reasons behind your spending and developing a plan for spending are big steps toward getting more use from your money.

To start a spending plan, the first step is to decide what you want your money to do. If you are part of a family, the whole family should be involved in talking over the family goals and deciding what will provide the most family satisfaction.

Next write down your chief desires and your biggest financial worries. Then compare those two lists. Select the most important goals and the biggest worries, those that will make the largest demands on your money.

Third, write down your goals in order, from the biggest and most important down to the last demanding goal. Those goals then become the guide for helping you develop a workable plan for spending and saving.

Determining A Spending Plan

The second step in managing your money after determining your goals is to look at the total picture: how much money you have to manage. Realistically, one should consider only the take-home pay--the money that is available for spending. Begin with the amount of money available listing all amounts of money regularly received.

As a second step, a person interested in better money management should

list any variable income--interest on savings accounts or bonds, dividends from stocks, gifts, rents, and money from other sources. If income from such sources varies considerably from month to month or year to year, consider the lowest estimate as income.

Adding regular income and variable income gives a figure to be used for planning of spending. Next, plan your spending. Based on past records, such as checkbooks, receipts, and old bills, list all expenses that occur on a regular basis. Those expenses that occur month after month, such as utility bills, rent, car payments, food etc. are fixed expenses, expenses over which you have little control. Next, list those expenses that occur less often and which may very more in amount, such as dental and medical bills, clothing purchases, entertainment expenses, etc. Those expenses, over which you have more control, can be termed variable expenses.

Budgeting

With a list of expenses, a consumer can then attempt to budget so that his or her money will benefit most. If past records are not available for determining past spending, a good plan is to keep records of all money spent for two or three months. That list of expenses then can be used as a guide for future spending and as a guide for improving planning.

A plan for spending is a budget. Based on past expenses, a consumer can devise a plan for spending for a week or a month. That plan for spending also depends on the goals of an individual or a family. What is important to you? What do you or your family really need and want? Consider all family members in determining your goals. Try to keep goals realistic in relation to your present and estimated income. Decide which goals are most important, giving priority to those which benefits the whole family.

Goals may be classified as long-range goals, short-range goals, and immediate goals. Long-range goals are those to be reached in 10 or 20 years or even longer. For example, if a family plans in 25 years to own its own home, home

ownership is a long-range goal. Planning for money management will include setting aside some money for long-range goals.

Short-range goals will include those which will be met in 5 or 6 years. For example, a new car, a new washer and dryer, or a down payment on a house would be short-range goals. Money management includes setting aside money for short-range goals on a regular basis, also.

Immediate goals are those that will be met within a year. For example, a family may plan to buy a new vacuum cleaner, start with a savings account, or pay off an installment loan. Such goals are those to be met in a short period of time; planning for spending should include setting aside money to meet those goals as soon as possible.

Goals, of course, will change as the size, age, and income of the family change. For example, a young couple renting an apartment may have a long-range goal of home ownership--they regularly save money toward that goal. As they meet that goal, establish a family, and their children are grown, their goals may change to providing primarily for their retirement. During those years between their early days of marriage and pre-retirement, their goals will change several times according to their needs and the needs of their children.

A list of goals, then, becomes the basis for planning a budget. Planning a budget for a month is a good plan at first. As you see how the plan works, you can revise it to fit your needs and to cover longer periods.

A typical budget includes money to be spent for food, shelter, clothing, medical care, transportation, personal care, recreation, insurance, savings, and charity and contributions. Other categories may be added as needed. Based on past expenses, list all those expenses which are necessary and which regularly occur, along with the amount of money you expect to spend for those expenses in the coming month. Be realistic and accurate. Regular expenses that must be budgeted for every month will include such items as rent, insurance, car payments, installment credit payments, utility bills, and food. Subtract the total

amount of those regular, necessary expenses from the total amount of income expected for the month. The remainder is for discretionary spending. That amount will be spent for those things over which you have some control. At this point in managing your money, you must set priorities. What is important to you? List all items for which you could spend that money that is left over after you have planned spending for necessary items, and then choose those which are most important. The amounts that may be spent for those items will vary widely from month to month. Itemize the amounts you plan to spend in the coming month based on the amount of money you have available for each item.

A plan for savings should be part of a budget. As an important step in money management, plan for spending a regular amount of money each month, such as 5 to 10 percent of your income available for spending. List that savings, in your budget; make a definite commitment to saving.

As a final step record on a budget form, if possible, all amount of money you plan to spend in one month for every category of spending. The total of all those amounts must not exceed the total amount of income you expect to have. That plan for spending becomes the basis for your spending for the entire month. A sample of a form that may be used is shown on the next page.

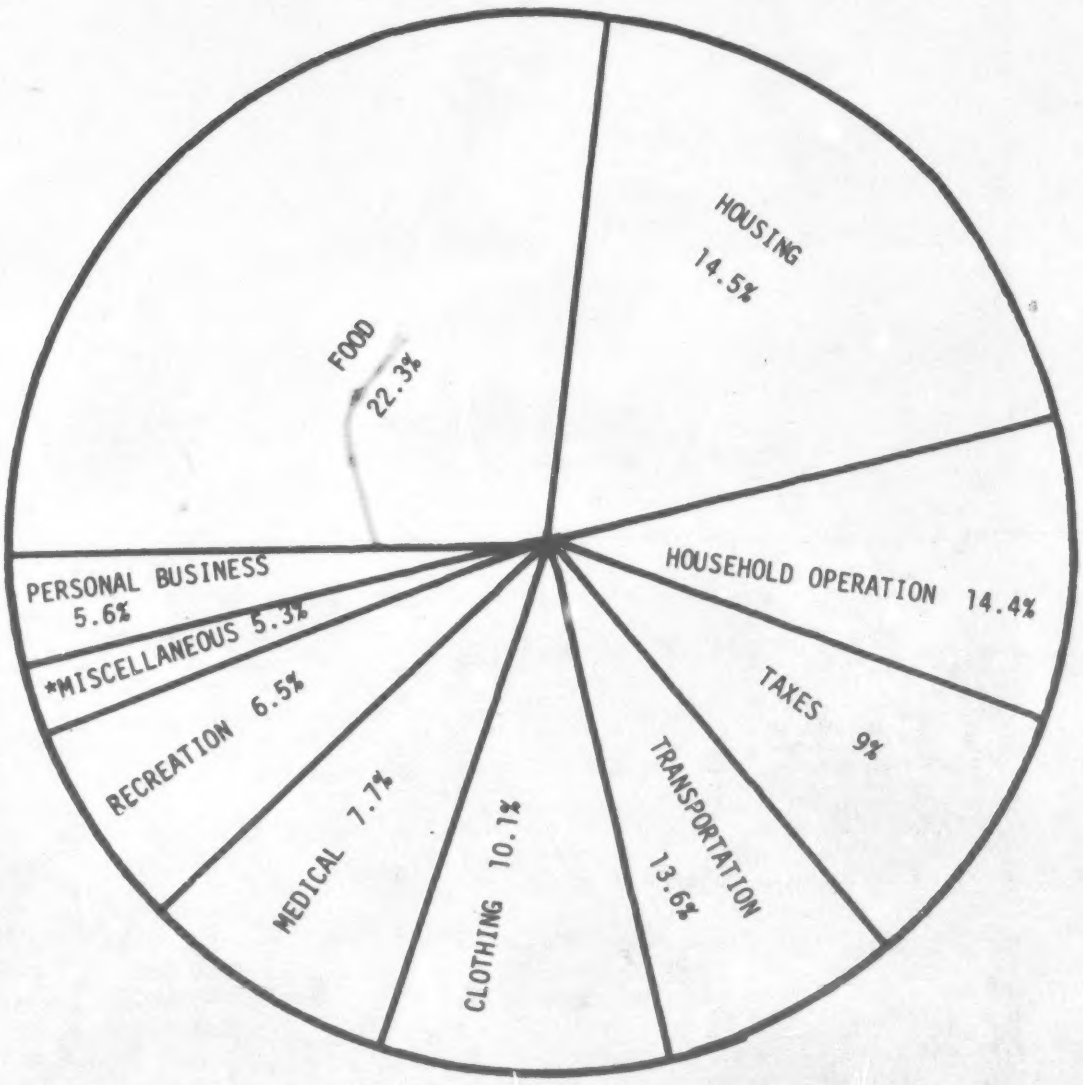
Keeping Records of Spending

A third important step is the keeping of records during the month. Each day if possible, record all spending for the day. In that way you can be able to judge whether or not your budget (plan for spending) is realistic and complete. At the end of the month, a comparison of the total amounts spent for each category compared with the budgeted amount will guide you in planning spending for the next month and months to come. At the end of each month, revise the budget if it seems to be unsatisfactory in any way. If necessary, shifts may be made in amounts for each category; and sometimes a definite effort will be necessary during the coming month to cut down on overspending for particular items. Be realistic in revising your budgeted amounts. Resolve to cut out shopping spees,

bargains you don't need, and overuse of credit to buy more items than your budget allows in particular category.

The following chart may be of help to you in determining how much is "average" for categories of a budget. This chart shows the way in which a typical family spent its money in a recent year:

"Average Family Budget Allocation"



*Miscellaneous:

Private Education	1.7%
Personal Care	1.5%
Religion and Welfare	1.4%
Foreign Travel	.7%

In 1976, a survey of 1,700 households showed that a homemaker spent varying amounts of money on household expenses: food, cleaning supplies, laundry, newspapers, magazines, school lunches, and other personal items. This chart shows the percentage of those 1,700 families who spent the amounts shown for household expenses:

Amounts Spent Weekly For Household Expenses

$20 or less	7% of 1,700 families
$21 to $30	12%
$31 to $40	15%
$41 to $50	16%
$51 to $60	10%
$61 to $70	9%
$71 to $80	7%
$81 to $90	6%
$91 or more	15%
Don't know	3%

In 1975, the typical family of four in the United States needed about $14,000 income to maintain a "moderate" standard of living. If your income is more or less than that amount, you may find that you will adjust your spending for various categories of your budget accordingly. For example, the lower the income, the higher the percentage of the income that generally must be spent for food. The lower the income, the less is spent for such "luxuries" as new cars, home ownership, and services such as beauty shops.

The following hints may be of help in budgeting for spending:

1. Develop a plan for spending--and then stick to it.
2. Plan large expenses so that they are spaced at intervals over several months or years. If you need a new car, start now to save some money for buying it next year. If one family member needs a new coat this year, plan next year to buy another family member a coat, rather than buying both this year.
3. Be sure to keep records of spending so that you can check the accuracy of a budget plan.

4. If you find that your spending does not equal your estimates, don't spend that money unwisely. Instead, save that money that is "left over" from your budget, revise your budget estimates if necessary, and remember that next month your spending may exceed your income!

5. Have a plan for paying bills. Be sure you have accounted for all expected expenses for the month.

6. Plan your purchases in advance, and use a shopping list. A shopping list will help you to find what you want and need and avoid impulse buying.

7. Read and keep labels, seals, tags, and instruction booklets on all items you buy. You may be able to save money by proper use and care of those items.

8. Check warranties and guarantees. Having properly filled out and returned a warranty may save you a repair or replacement bill.

9. Shop and compare to get the best values. Make comparisons on everything that is important to a purchase--features, overall construction and quality, prices, charges for installation, delivery, credit, servicing, warranties, and store policies.

10. In comparing prices, be sure to count all costs in that comparison. For example, don't waste expensive gasoline driving from one grocery store to another to save a few pennies on a "special." Weigh the cost of comparison pricing against the cost of shopping at more than one store.

11. Know your stores. To find the stores that best meet your particular needs, look for:

    a. Merchandise that meets your preferences for quality, brand name, variety, and price.

    b. Operating policies that meet your standards for fair, reliable, advertising and selling, clean, orderly merchandise; reasonable adjustments on unsatisfactory merchandise; reputable management.

    c. Services that you need and want. Stores that offer a variety of customer services may charge higher prices for merchandise because services add to operating costs.

CASH OR CREDIT?

Consumers often have to make a decision about buying: whether to buy for cash only, to borrow money, to buy on the installment plan, or to use a charge account. Wise money management includes using credit wisely. Several questions may be answered to determine whether credit or borrowing is wise:

1. Why am I buying the item I plan to buy? Is this item a necessity--something I must have, or am I buying it only because I want it? If the answer is that the item is only a want, perhaps the best policy is buy only for cash.

2. How much will it cost to buy on credit? Is the extra cost of using credit or borrowing money worth it?

3. Will the costs of buying this item, particularly when credit charges are added on, wreck the budget?

Questions that may be answered to determine that "cash only" is the better policy are:

1. Is it worth it to have the feeling of independence, of not owing money to anyone, to go without this item for a while until I have cash to pay for it?

2. Am I the sort of person who tends to overspend if I use credit? If so, would it be better to postpone buying until I have cash for the purchase?

3. Will I have a wider choice of stores from which to buy if I buy for cash rather than charging the purchase? If you buy on credit, you may be limited to those stores that offer credit or those for which you have credit cards.

4. Will I receive a discount for buying for cash? Some stores offer a discount to cash customers, sometimes as much as 5 percent of the purchase price. Such discounts are worth saving for until you have ready cash.

SAVING AND INVESTING

A part of wise money management is proper planning and accumulation of funds for emergencies, for special purposes, or for long-range goals. A part of budgeting should include the decision of how much money to save. A second decision will be the investment of those funds saved regularly. Several choices are available to you for safe storage of your saving.

1. A savings account at a bank--an account can be opened with a small deposit of as little as a dollar, deposits may be made at any time, and savings earn interest for the time they are left with the bank. Almost all savings accounts are insured for up to $20,000 by the Federal Government, so funds deposited are safe.

2. U. S. Savings bonds--bonds can be purchased for varying amounts and have fixed redemption values before and at maturity. Bond types are Series E and Series H. They differ in cost, in rate of return, and in length to maturity. Many employers offer the service of automatic deduction from paychecks for the automatic purchase of savings bonds. Banks may also offer a service of automatically deducting money from an account with them to buy U. S. Savings Bonds. Bonds are a safe investment; the rate of return is less than other types of investments, though.

3. Savings certificates may be purchased at a bank or savings association. Those certificates have the advantage of earning a higher rate of interest

than regular savings accounts. A minimum amount of money is required to open an account, and the money must remain in the account for a specific time to earn interest. The higher the amount of money left with the savings organization, and the longer the period of time for which the money is left as a minimum period, the higher the rate of interest.

4. Credit unions are cooperative associations organized to encourage thrift among members and to create a source of savings and credit for members. Membership is limited to persons who have a common interest through occupation or association. Credit is available to members only; such credit often has a lower rate of interest than some other sources. Credit union funds may be insured through the Credit Union Administration. Maximum coverage is $20,000 for an account.

5. Savings and Loan Associations are organizations operating as sources of credit and of savings accounts. The rates of interest offered on deposits are usually higher and charges for loans usually lower than some other sources. Funds deposited earn interest; and those funds then are available to customers as loans. Deposits are generally insured for up to $20,000.

6. Life insurance (cash value) is a means of providing a family income if the insured should die. The money invested in permanent life insurance is a means of saving through setting aside a portion of income regularly through premium payments. Such funds, though, are not as readily available for emergency use as those deposited in the above institutions. For that reason, only long-range goals are suitable for money invested in life insurance.

7. Investment in bonds or stocks of private companies--such investments may bring good returns. However, the income from stocks and bonds is tied more closely to the economy of the nation than other forms of income. Therefore, only funds over and above those needed for short-range goals and for emergencies should be considered for such investments.

CHILDREN AND MONEY

If a family includes children, it is important that they be guided in developing good money management habits. Children need to be taught how to handle money and helped to make sound decisions about even small amounts of money in their early years. As they grow older, then, their good habits will help them in managing larger amounts of money later.

Various sources may be provided for children to accumulate money for their own spending:

1. Allowances-give children the opportunity to manage money and introduce them to living within a regular income.

2. Handouts-eliminate the need for a parent to provide a set amount on a regular basis. Such a method, handing out money whenever the child asks for money, does not offer the child much experience in learning to manage money, and it may encourage asking for money without planning.

3. Cash gifts or rewards-a child may be allowed to use small cash gifts, such as birthday or special day gifts, as he or she wishes. If cash gifts are large, the child should be encouraged to accumulate the money for future goals.

4. Pay for special duties-a child may be assigned regular duties as a part of "earning" his or her allowance. Such a practice will help the child to learn that all money that comes into the family has to be earned in some way. However, this practice of paying for work should not be carried too far with a child; he or she should also learn that all members of a family should contribute some effort to making family life run smoothly. The child should not be paid for everything done.

These suggestions will help to teach children responsibility and respect for money:

1. Give children some money of their own to spend and help them to select items they like that can be bought for that amount.

2. Allow them to make the final decision on what to buy, even if you think that decision is a poor one.

3. Let the children give the money to the salesperson.

4. Explain to them as they shop that they cannot buy everything they want, and tell them why.

5. Keep shopping trips short and shop when stores are least crowded. Then both you and the salesperson will have more patience with a small child learning to cope with the problems of making shopping decisions.

If children are given an allowance, parents should have in mind what items children will be expected to buy out of that allowance. The Household Finance Corporation has developed some guidelines for parents on what children in various age brackets might be expected to buy and pay for out of their allowances:

Under 6 years--candy, gum,ice cream, small toys, gifts for others, books, playthings, paints, crayons, blocks, and dolls

Ages 6 to 9--movies, amusements, toys, books, magazines, hobbies, club dues, special savings for sports equipment, carfare and lunch at school, school activities and school expenses, gifts for birthdays and holidays, and contributions

Ages 9 to 12--fees for skating rinks, pools, etc., club dues, hobby materials, sports equipment and repairs, games and special events, carfare and lunches at school, gifts for birthdays and holidays, contributions, trips, school supplies, clothing and upkeep

Ages 12 to 18--the above, plus money for dates, grooming, cosmetics, jewelry, clothing, school activities, savings for special purposes such as travel and a future education

BANKING

Banking services can serve a worthwhile purpose in money management.

Banks offer a variety of services:

Savings Account

1. A savings account pays interest on deposits at regular intervals. Interest rates vary among banks, and savings and loan associations generally pay a higher interest rate on savings than banks.

2. A savings account is an excellent way to help children develop a habit of saving. If a small child is encouraged to open a bank account and to make regular and special deposits to that account, he or she will be more likely to develop the habit of saving. The child can be encouraged to deposit special gifts of money or regular amounts saved in the account.

Checking Account

1. A checking account provides a safe place for money and a convenient, safe way of paying bills. No interest is paid on checking accounts, and a service charge may be deducted from the account each month to pay for the service rendered. Shop around for the best buy on checking accounts.

2. Checks paid by the bank and deducted from your account become receipts for bills paid and help you in recording money spent.

3. Having a checking account can be an aid when you apply for credit. Your record of good money management, through good management of your checking account, is testimony of your ability to handle money.

Several cautions in handling a checking account will help you keep your records straight:

1. To avoid overdrawing your account, always be sure to deduct each check written. The bank will charge you a fee if you overdraw your account.

2. Be sure to write checks in ink, not in pencil, so that they cannot be altered.

3. If you make deposits by mail to your account, follow your bank's instructions for endorsing the check. Sign your name on the back of the check as it appears on the front, but also write "For Deposit Only" or "Pay to the order of (your bank's name) above your signature. The bank will provide, upon request, special envelopes for deposits by mail, along with special deposit slips.

4. If you have regular deposits to your account, you may request that the payor send your check direct to your bank for deposit. The bank then furnishes you with a record of that deposit when it is made. Older persons receiving a Social Security check are particularly encouraged to have their checks deposited directly to the bank so that they lessen their chances of having their check stolen.

5. Do not sign a check for deposit until you present it to the bank or a third person for cashing.

Bank Drafts/Money Orders

If you prefer not to have a checking account or have so few payments to make that a checking account does not seem wise, you may use bank drafts/money orders. For a small fee, a bank will accept your cash and prepare a money order for you, payable to the person whom you designate. Because it is not wise to send cash by mail, money orders are often used for mailing sums of money.

Traveler's Checks

Banks will furnish you with traveler's checks, which are widely accepted. Because the bank guarantees payment of the check, a traveler's check is more acceptable than personal checks written on checking accounts.

Safe-Deposit Boxes

Banks offer, for a yearly rental fee, the service of providing a safe-deposit box in their vaults for your valuables. Any relatively small items may be kept in the box.

Trust Service

Banks will manage some of your financial affairs, such as the management of property, for a fee. A bank official with special training in handling the kinds of property you have will be assigned to act for you in all financial and legal matters involving the property.

"CUTTING DOWN" ON EXPENSES

Sometimes, in spite of all your efforts to prepare a budget and to live within your income, you may find that you must "cut down" on expenses. Here are some guidelines to help you in finding ways to cut expenses without jeopardizing all your budget:

1. Use your past records of spending and your budget to determine in what areas you may have exceeded your planned spending. Determine whether those areas are "luxuries" or "necessities." If they are luxuries, you may just resolve to cut out all spending in that area for a month or two. If they are necessities, map out plans for spending less. If you spent more for food than you planned, for example, look over your purchases for the past month and decide where you can save money. Can you buy less expensive meat for a month? Can you cut down on the purchase of prepared or convenience foods? Can you eat out less often?

2. Scrutinize your budget carefully. Have you provided for all spending? Have you exceeded your budget because you did not make provision for unexpected expenses or major expenses? If so, rework your budget so that you can allow for all expenses within the expected income.

3. Don't slash one category of spending arbitrarily. A major expense category cannot be cut just because the figure appears large in your budget and records of spending. If you resolve to cut down on money spent for food, don't cut the amount you plan to spend to an impossible limit.

4. Prepare a complete list of expected purchases over the next several months. Are there items on that list that could be postponed or eliminated?

5. Save on food by taking a carefully prepared list to the supermarket or grocery and following it closely. Plan meals around weekly specials. Do not allow yourself to buy anything that is not on your list, and do not shop when you are hungry.

6. Save on clothes by developing a year-to-year wardrobe. Before you go shopping, examine your clothes and see what you can do to renovate or update some of them.

7. Save on car wear by regular service and maintenance.

8. Save on mileage by planning shopping in logical sequence. When you plan any trips, check to see what is the shortest route and the ways in which you can double up on trips and save an extra one later.

9. Save on all items, clothing, food, household items, furnishings, etc., by watching for sales at reliable stores. Take advantage of special purchases offered.

10. Shopping skills are easy to acquire if you remember they are like a good newspaper story: They have a what, a when, where, why, and how. If you know exactly what you want, when to shop, where to find the article, why you make a particular choice, and how to get the most value for your money, you will be a good money manager and a skillful shopper.

TIPS FOR THE CONSUMER

An important part of money management is wise decision making. If you plan a purchase, it is worthwhile to collect as much information as possible to help you make a wise purchase. Various sources of information are available to you to help you in shopping before buying.

Manufacturers - many large companies offer free booklets which describe their products in detail. Listings of such booklets often appear in household magazines. Although such booklets do present the manufacturer's product in the best light, many of them offer much information that can be helpful in acquainting you with features you should be aware of before you make a decision. Such information is particularly helpful when you plan to make large purchases of such things as appliances.

Consumer Testing Agencies - several agencies have the primary purpose of making objective tests of consumer products and reporting their findings.

Consumer's Union, for example, an independent organization, tests products and reports its findings in its monthly magazine, Consumer Reports. Consumers' Research tests products for quality and performance, also, and reports its findings in its magazine Consumer Bulletin. Each month, the magazines feature several kinds of items, reporting tests on several of the leading brands. Check with your local library for specific information.

Government Agencies - the U.S. Government furnishes a variety of materials to consumers, generally for a small fee, on a multitude of topics. The U.S. Department of Agriculture, for example, has available over 100 bulletins for consumers, covering tips for buying through care of items bought to prolong their life. Much of the information is free.

Agencies - for consumers who are unable to cope with their finances on their own, agencies are available to help them. Generally, though, those agencies must charge a fee. Counseling services may be provided by the local government, under such names as Family Counseling Service. Community Action agencies may also be able to provide some services to low-income families.

Chamber of Commerce - the local Chamber of Commerce furnishes written materials to consumers and also provides information about sources of products in your town.

Private Agency Seals - quality standards are set by manufacturers and associations for many products and services. The Underwriters Laboratory (UL) symbol appears on electrical materials and appliances that have passed rigid safety standards of that laboratory. Good Housekeeping magazine's Seal and Parents' Magazine Commendation Seal are awarded to products and services that have been studies and tested by their technical staffs. The Good Housekeeping Seal is the only one that guarantees either replacement or refund of money on any items that carry the seal, if the product or performance is defective.

Business Organizations - the Better Business Bureau publishes booklets for consumers to help them in making wise selections. Those booklets are free upon

request and will be mailed to a consumer requesting them. Banks often have a selection of booklets to help consumers, free to anyone who visits the bank. Insurance companies often will provide a variety of booklets to help you in selecting insurance.

Magazines - in addition to the magazines published by the consumer testing agencies, many household magazines regularly feature information on money management for the consumer. For example, Good Housekeeping magazine includes a special section in its magazine each month, "The Better Way," which often includes articles on buying appliances, food, household furnishings, etc. Such articles attempt to present as much objective information as possible to help you in selecting purchases. Better Homes and Gardens features a page of new products each month, as well as articles on products. Family Circle features each month an article on money management. Changing Times is a magazine devoted exclusively to consumer information. The magazine accepts no advertising and includes articles on a variety of subjects pertaining to wise management of money, time, and resources, each month. These magazines are only some of the many available to consumers to help them in planning the use of their money before spending.

Newspapers - although the information carried in newspapers about consumer products often is advertising, articles and reports of various kinds also will appear in the newspapers. Such articles will often provide additional, up-to-date information about a product that you can use in deciding about purchases.

WISE SHOPPING

Wise money management does not come automatically. It requires a consumer to plan, to keep records, to budget, to shop wisely, and to seek out information to help in making wise decisions. Spending money is easy; but getting your money's worth is becoming much harder. These general rules may help you to be a wiser

buyer and a more efficient shopper:

1. Read and use labels and other information about products.

2. Whenever possible, inspect goods before you buy.

3. Be a comparison shopper. Check the quality and price of similar products to determine which is the best buy.

4. Be a weight watcher. Since most packaged goods come in more than one size, be careful to choose the size that offers the most for your money. Figure the cost per unit of weight or measure.

5. Use and care for your purchases properly. Don't overlook the best dollar stretcher of all -- getting the most from that product by using and caring for it properly.

QUESTIONS TO CONSIDER ABOUT YOUR MONEY MANAGEMENT PLAN

If you prepare a budget, keep a spending plan, try to shop wisely and use you purchases correctly and efficiently, questions still may be asked to help you in improving your total financial plan for money management. Many people live within their income, keep within their budget, and yet are not managing their money as wisely as they could. These questions are all aspects of money management may be of help in evaluating your plan.

1. Which is best for you--renting or buying? If you are now renting, would it be possible to buy a house and build equity in property (which generally appreciates in value) and apply rent money to purchasing?

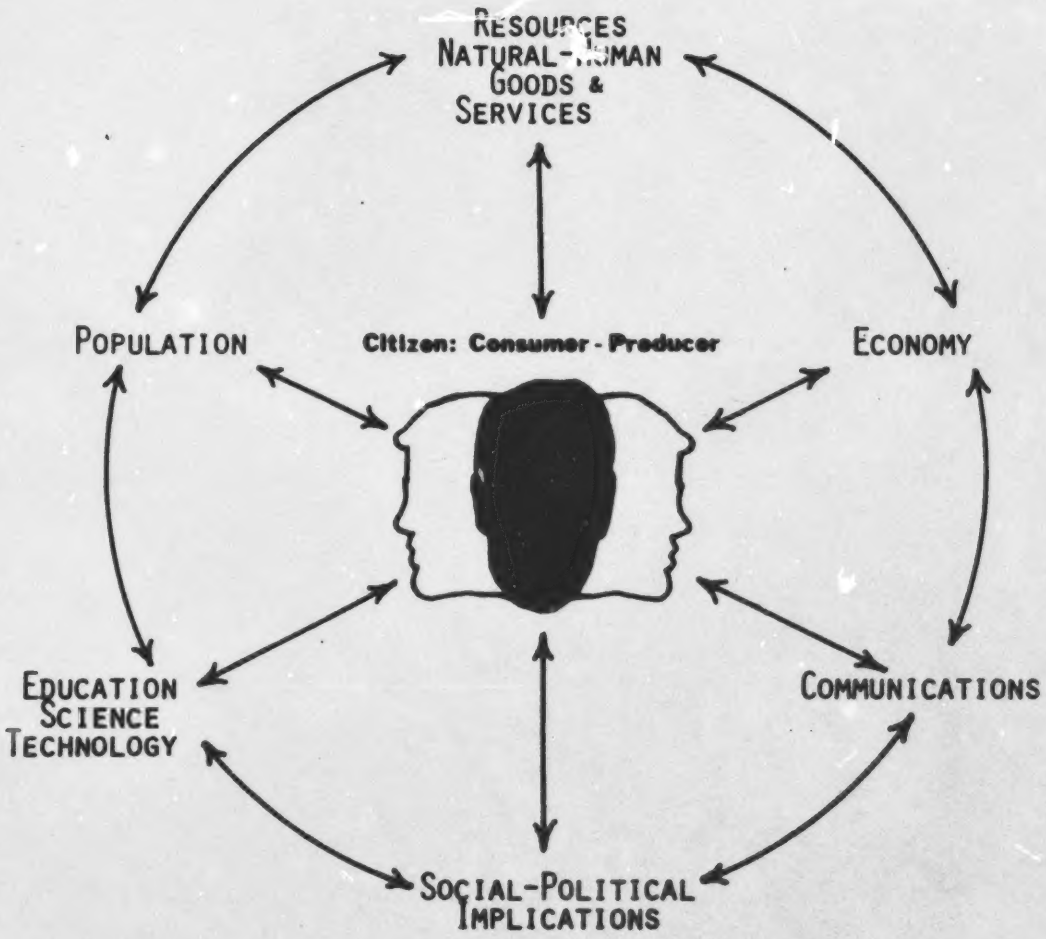
2. Do you have a comfortable emergency fund? Some financial counselors recommend a readily accessible, emergency fund (in a savings account, for example) of about three to six months' income. If you do not have an emergency fund, you should consider providing for one as soon as possible.

3. Is your insurance coverage adequate? Because illnesses, accidents, and catastrophes are so expensive and often disastrous, evaluate your total insurance plan to be sure you have adequate insurance. A good insurance agent can help you to evaluate and suggest plans for improving you coverage.

4. Do you now have installment payments at high rates of interest that could be consolidated into a less expensive loan? If your credit is good, a bank loan to pay off all installment purchases or charge accounts, on which interest may run as high as 18 percent a year, may be wise.

5. Are there areas in your budget which seem to be out of line with the rest of your budget? For example, are you spending more for food than would seem feasible for your family? If so, are there ways you can cut down expenses in that area without hardship? Does your budget provide for regular savings? If not, can you provide an amount for savings <u>before</u> spending for all other categories?

6. If more than one person in the family works, does the major wage earner's income cover the necessities, such as rent or mortgage and food? If one person should lose his or her job, could the budget stand the strain?



THE KEY TO A FREE ECONOMIC SOCIETY

IS THE INDIVIDUAL.

SCHEMES

Here are a few facts to know so as not to become a victim of a scheme:

- Radio/TV Auditions - Those who give legitimate radio or TV auditions do not generally ask a fee.
- TV Repair - Know your repairman. Get a recommendation from someone who has used this repairman before. Get a written estimate. Make sure the repairman knows he is to follow the estimate or advise you before making additional repairs.
- Prepaid Certificates from Beauty Shops - Be sure the price you pay includes the entire cost of the service promised. Read the certificate thoroughly and question the salesman before signing or paying any money.
- Perfume Scheme - Beware of perfume carrying prices of $25 or higher being sold for $2 or $3. It would be better to hold off buying the perfume until you can contact the Better Business Bureau.
- "As is" - In this case the buyer must decide what condition the article is in and accept the responsibility for determining the condition. Before purchasing anything "as is" check it thoroughly.
- Buy Wholesale - Beware of this claim - It would not be practical for a dealer to sell at wholesale prices when operating a retail store.
- Balloon Note - One method of financing includes what is called "balloon note." This involves a series of small payments after which there is a large final payment. Unethical financing agencies, in using this method, may mention only the monthly payments and neglect to tell you about the large final one.
- C.O.D. - C.O.D., alias "not at home" scheme. You are asked to accept and pay for a C.O.D. package for your neighbor who is not at home. The package may contain unordered goods or some useless or worthless material. It is sometimes worked on business concerns when the employer is away.
- Coupon Books - You may think you're getting a big bargain for yourself when you

buy a book of coupons purporting to offer free merchandise or services or discounts. However, that's usually not the case. Promoters for the books often sell many more than the participating merchant has been led to expect. Consequently, the merchant may not be able to fulfill the offer and may refuse to honor the coupon. By that time the promoter has probably left town. Coupons may be good at times or locations not convenient to you.

. Fictitious List Prices - When used in advertising, it is often a price at which the merchandise does not regularly and normally sell. Often used as a basis of comparison with a sale price to misrepresent that the difference in the two prices is a "saving."

. Finance Charges - If you purchase on a conditional sales (installment) contract, realize the finance charge is not interest. It is the difference between the cash and time price. Sometimes it is difficult to determine the finance charge because it is lumped in one sum with insurance. Have the finance charges and insurance charges stated separately.

. Going Out Of Business - Don't patronize the merchant who promotes fake "selling out" and "going out of business" sales, or who uses tricky signs, e.g., what appears to read "going out of business" is sometimes actually worded "going out for business," the word "for" being inconspicuous.

. Prizes - If a prize won in any kind of contest requires expenditure of money to make use of the so-called "prize," it is not a bona fide prize. It may be just a "come-on" to get you to the place of business. Merchandise may be marked up in price to compensate for the "discount."

. Puzzle Contests - Many puzzle contests purposely have simple solutions so as to lure persons into a scheme to sell magazines, cosmetics, and other goods. There is a variation in which retail merchants use puzzle contests as a stimulant for sales. In that case, credit vouchers with fictitious valuations toward the purchase of goods are sometimes issued indiscriminately to contestants.

. Residence Dealers - Dealers in furs, furniture, jewelry, etc., posing as private

residences are called "residence dealers" and operate "stuffed flats." They misrepresent and charge excessive prices.

. Smuggled Goods - All kinds of cheap merchandise, furs, lace, rugs, linens, suiting materials, etc., are sold by peddlers as "smuggled goods." These "phonies" affect foreign accents and frequently dress as seafaring men. Misrepresentation is their stock in trade.

. Advertising Solicitations - Don't buy ads in unknown year books, directories or other publications sponsored by unknown organizations, until you know the facts. This is a profitable field to the advertising racketeer. The directory which a crooked salesman shows may be the only copy in existence.

. Auto Clubs - Promoters of doubtful intentions often form automobile clubs or associations to trade upon the good will and prestige of established organizations. They collect dues through irresponsible promises and misleading claims. They often offer or imply that "insurance" is included with your membership when this is not the case.

. Bushing - "Bushing" a customer is an unethical practice wherein an automobile salesman offers a much higher than usual trade-in allowance or other attractive deal on buying a car. This is later repudiated by the management and the customer is persuaded to turn in his car at a lower price. The first offer by the salesman detains the customer and prevents him from looking elsewhere.

. Macing - Be on guard against "macing." This is the scheme of "fly-by-night" operators who offer to buy used cars at attractive prices. They pay a small amount in cash and give notes for the balance. Before the notes become due, the "fly-by-night" disappears. The notes are worthless. Sometimes a post-dated, worthless check is given instead of a note.

. Motor Rebuilding - If you do not have a clear and specific understanding as to just what will be included in the way of parts, accessories, etc., you might find yourself billed for additional and sizeable charges to cover necessary parts, depending on the condition of your old motor. Unscrupulous dealers do

not give you the necessary facts to prevent deception and often a customer's resulting difficulties are contrary to claims, representations or promises of no more trouble, etc.

. Packing - One form of "packing" is for the dealer to raise the selling price of a car in order to offer a higher trade-in allowance or a fictitious discount if trade-in is involved. Another form is for the dealer to inflate the finance charge and obtain a rebate from the finance company.

. Taxicabs - "Fly-by-night" dealers have been known to re-paint taxicabs and offer them as cars previously owned by private persons.

. Would You Take? - A card may be placed under the windshield wiper on your car reading, "I have a buyer for your car. Would you take $1,150 in trade for a brand new . . .? We must act fast. Call or bring your car in today." The trade-in value of your car may have been deliberately inflated, and you can't get this allowance or the price of the new car may be raised $600 or $700 in order to make the fictitious allowance.

. Charity Merchandise - Toiletries, household products, and other goods are frequently sold by private companies on a "sob story" appeal in behalf of charity. Often, however, the charity benefits only through a very small fraction of the proceeds. Usually the promoter and salesmen are the chief, and sometimes the only beneficiaries.

. Solicitations - Know all charitable solicitations before you give. Are the solicitors professional, and how much do they get? Advertising projects, dances, and other benefit affairs frequently net the charity little, but the promoter much. Telephone solicitations may be conducted by professional solicitors who work on a high commission. Ask for a letter. Some misrepresent themselves as a minister, a priest or public official.

. Death Vultures - "Hearse Chasers" victimize the bereaved by selling them flowers, bibles, land and other things, falsely claiming that they had been recently ordered by the deceased. Sometimes, they render bills when nothing is owed. Sometimes

they claim part payment has been made by the deceased and endeavor to collect the alleged balance.

- Electric Appliance Repair - The "bogus" repair man sometimes tells housewives that for a small charge he will repair vacuum cleaners or other appliances at his shop. Then, he may try to collect for unauthorized work--or may not return your appliance. He may collect on delivery for work never actually done or for work poorly done.
- Magazines - Women are particularly susceptible to the "college boy gag," used to sell magazine subscriptions. Boys and girls are employed in organized groups and taught to claim they are working their way through school, or to make other misrepresentations calculated to arouse the sympathy of prospects. Legitimate subscription agencies condemn misrepresentation of this nature and in any other form and have organized what is called the Central Registry Plan to keep subscription selling truthful. If you have any complaint or question, check with your Better Business Bureau.
- Suit Clubs - Suit club swindles call for payment of $1 or $2 per week for 25 or more weeks with the "chance" of winning or getting a suit without further payments. If you think you can come out ahead, ask the man who joined one. This type of scheme is also worked in the furniture field, in the sale of blankets, jewelry, etc. Clubs promoted on a lottery basis are illegal. It is a means of fraudulently selling cheap merchandise at exorbitant prices. Operators often leave town the end of the payment period.
- Vacuum Cleaners and Sewing Machines - A few unscrupulous salesmen of vacuum cleaners and sewing machines make a practice of getting your signature to a purchase contract by making you believe that their products are on trial. The tricky sewing machine salesman sometimes claims that he or his company will supply sewing work to help pay for the machines.
- Civil Service Schools - Civil service schools can not guarantee government jobs. These are awarded on competitive examinations. Many years may elapse before

there will be an examination for the job you want. Read the contract carefully. Write the Civil Service Commission, Washington, D.C., or your own state commission for free information.

. Correspondence Schools - A few unscrupulous salesmen of correspondence courses get your enrollment with the promise of a job, and further misrepresent that a refund will be given should you decide to quit or should fail to get a job after completing the course.

. Modeling Schools - The modeling school that offers girls the chance to earn while they learn or that represents it will make models of children should be thoroughly investigated. Frequently the scheme is to sell photos or instructions.

. Trade Schools - Trade schools of many kinds are sometimes improperly equipped or do not have the facilities or the equipment to give the training advertised. They can not guarantee you will obtain a job.

. Cash Bonds - The advertising of attractive jobs by swindlers who request applicants to deposit a cash bond is a vicious scheme that has swindled thousands of the unemployed.

. Employment Agencies and Registries - When you are requested to pay a registration fee to an employment service or registry, it may be enlightening to ask for their total number of registrations over a given period and the percentage that got jobs. Check their references.

. Foreign Jobs - The $1, $2, or $3 paid to the help wanted advertisers who offer positions in Latin America or employment on steamships may only get you a list of American companies with foreign branches, or a booklet about opportunities afloat, but no job.

. Home Work - Lucrative sounding home employment is often advertised in help wanted columns when the real and only purpose of the promoter is to make a tremendous profit on "home work" equipment or "instructions" which he has to sell.

. Partner Wanted - Partner wanted propositions are sometimes nothing but deceptive frauds to get your investment in a supposedly profitable business claiming the

need of new funds. In a partnership, each partner is responsible for all the debts of the firm. Know your partner.

. Scenario and Song Writing - Embryonic writers should bear in mind that some promoters would flatter the "world's worst story" and offer to "whip it into shape" --for a fee. The same applies to songs which, although published by the promoter, will not bring fame and fortune unless the public buys them.

. Collection Agencies - "Believe it or not" but some collection agencies' contracts make it possible for the agency to charge fees for more than the sum you have to collect. "Read before you sign."

. Loan Sharks - "Loan sharks" take advantage of borrowers by imposing very unfair if not illegal terms. Some get as high as 400% interest.

. Ponzi Schemes - If you are confidentially offered the opportunity to invest in a sure-fire proposition offering miraculous returns, look out! It is probably a ponzi scheme that "robs Peter to pay Paul." Ponzi schemes are fraudulent and the majority must lose.

. Endless Chain - Endless chain schemes, such as chain letters, are mathematically unsound and the majority of participants must lose. The post office department has declared many of them lotteries and, therefore, illegal. Many are outright frauds.

. Cancer - There are presently only three effective treatments for cancer -- surgery, X-ray, and radiation. Worthless cancer remedies, however, can be of many kinds. Avoid "quacks" and "institutes" of doubtful scientific standing that advertise to cure cancer. When treated in the early stages, cancer may be cured by competent surgery, and in some cases by radiation and X-ray, if such treatment is given by a reputable physician.

. Dental Plates - A number of organizations advertise to furnish dental plates through the mails. In such cases the customer is generally furnished with a block of impression compound with which he is supposed to reproduce the structural condition existing in his mouth. From this the company undertakes to make the

denture. Dental authorities declare that the difficulties of getting a proper fitting denture by such methods are overwhelming.

. Hair Coloring - There is no known preparation or process which will "restore" color to hair. There is no hair dye which can truthfully be represented as permanent.

. Health Foods - The term "health foods" is a misnomer since it implies the products have health-giving or curative properties, when, in general, they merely possess some of the nutritive qualities to be expected in any wholesome food product.

. Obesity - Medical experts state that soaps, creams, bath salts, and other external applications can have no possible influence in permanently reducing obesity. There is nothing that, put in the bath water, will reduce weight. Reducing remedies that contain desiccated thyroid, laxatives, or dinitrophenol are potentially dangerous and should be taken only under a physician's direction.

. Quack Eye Doctors - Quack eye doctors have worked the "glimmer scheme," a vicious racket whereby handsome fees are collected from elderly people in rural districts for fake eye operations in their own homes.

. Insurance Advisors - Some so-called insurance advisors or counsellors charge advance fees for advice that is worthless or for services that the insurance companies render without charge. Some, posing as giving unbiased advice, are actually "twisters" interested in switching you out of one set of policies and selling you others, either directly or through confederates, so as to pocket commissions.

. Bargain Insurance - Some insurance advertising, often received by mail, offers what seems to be extremely low prices for broad coverage whereas the policy itself is very limited in the claims it will pay.

. Burial - If a burial concern offers to supply you with future undertaking services for a few hundred dollars, payable in small monthly sums, be sure that the salesman's representations agree with the contract, and that the undertaker's charges have not been inflated. Many of these schemes are in violation of insurance laws.

. Unlicensed Companies - If an insurance company, unlicensed in the policyholder's

state, declines to pay a claim, the policyholder has recourse through action in his own state only when a "service of process" act exists in the state. Otherwise the policyholder must bring suit against the company in the state in which it is located.

. Twisters - The twister is an unscrupulous insurance agent who, through misrepresentation, switches you out of one set of policies and into another so as to pocket the commission on a new contract. Legitimate insurance companies and brokers do not countenance "twisting."

. Factory Gate Selling - Watches and rings are offered at factory gates or nearby locations by fast talking salesmen. The merchandise can be "tried out" by merely signing a receipt which then turns out to be a binding note for payments on merchandise which may be bought for lower prices in any store. Often names on watches appear to be those of well-known brands.

. Baby Contests - Unscrupulous photograph salesmen find it easy to trick proud mothers into ordering baby pictures by falsely representing that their studios are conducting baby contests.

. Photo Certificates - Learn the photographer's reputation before purchasing any certificate that entitles you to have your picture taken at a cut-rate price. Often such certificates are "bait." High pressure may be exerted to sell additional pictures or you may have difficulty in obtaining your picture without ordering more. In addition, the salesman's sample may be superior to what you actually receive.

. Picture Enlargements - Beware of salesmen who offer to enlarge and color old pictures for the cost of materials alone. This is a common racket to sell you a cheap frame at an exorbitant price.

. Absentee Farming - The offering of land in a distant state on a cooperative arrangement to raise fruits or nuts or other crops, has its share of racketeers. Some sell land at exorbitant prices, minimize the hazards and quote misleading figures.

. Furnace Inspectors - A salesman for a furnace company claiming to be an inspector, may tear down your furnace and tell you it is dangerous and beyond repair. More often than not, you do not need a new furnace.

. Home Improvement Scheme - Know your contractor. Schemes in this field cover every conceivable type of sales approach including such jobs as roofing, siding, painting, shingles, chimney repair, etc. Tactics include under-quoting and over-pricing, shoddy workmanship and getting signatures to completion certificates by trickery, difficulties with adjustments, etc. Some contractors float from city to city.

. Model Homes - A vicious selling method of home repairs and remodeling. The appeal is that your home will be used as a model for getting other jobs and that you will receive commissions on resulting sales, but it does not work out that way! No commissions are forthcoming and you are apt to have other complaints, too.

. Termite Experts - After a cursory examination of your home, the trickster ruefully reports it is infested with termites. Often the alleged termites are nothing but ants.

. Debt Adjustment Firms - These are not loaning institutions. They do not assume obligations of your debts, nor can they prevent assessments of your wages. Be sure you understand the total amount of their fees and ascertain whether your creditors will accept the firm's method of payment.

. Fortune Telling - Crystal gazing, astrology, palm reading, phrenology or any other form or manner of fortune telling is the "bunk."

. Moving - There are irresponsible movers who won't give terms in writing, sublet jobs to others and disclaim liability themselves, and "hi-jack" the customer for more money by holding the goods until the money is paid. Some moving firms advertise that they are "bonded and insured" but the insurance does not cover the merchandise itself. Some give "low estimates", a trick of unscrupulous outfits to get business.

Agencies To Call On If You Want To Claim Unfair Advertising Practices

1. Better Business Bureau
2. Chamber of Commerce (If there is no Better Business Bureau in your city)
3. Federal Trade Commission (Will assist you in any unfair advertising scheme)
4. Post Office Department (If you feel you have been swindled through mail order)
5. Food and Drug Administration (Problems dealing with food, drugs, and cosmetics)
6. Federal Communications Commission (Any problems with radio and television transmission - misleading or deceptive advertising should be reported to the commission)
7. Legal Aid Society (Sponsored by lawyers, they provide an organized method of handling cases for persons who can not afford to obtain legal assistance)
8. Division of Consumer Affairs (Any general problems)

See Appendix.

Where To Get Help In Case Of Fraud

Organization	Cases It Can Help	Type Help
Post Office - Telephone and ask for postal inspector	Anything involving mail - Ordered, shipped as advertised, billed, or paid for by mail.	Info Before Help After
Better Business Bureau Phone if one locally. Write: 230 Park Avenue N. Y., NY 10017	Almost any product or money fraud. Helpful in getting info on standard kinds of fraud.	Info Before Help After
Police. Phone or go in person.	Out-and-out crooks and con men in your area.	Help After
Federal Trade Comm. Phone to see if branch in your area, write: Fed. Trade Comm., Wash., D.C. 20025	Products made, sold, or advertised across state lines.	Info Before
State Attorney Gen. or State Governor Phone or Write	Products made, sold, or advertised within your state.	Info Before
Chamber of Commerce Phone	Some Chambers of Commerce have BBB lists of frauds. Try BBB first.	Info Before
Legal Aid Society, Services	Any case requiring a lawyer or advice but you can not afford to pay.	Help After

Twenty Ways Not To Be Gypped

1. Avoid "unclaimed" or "repossessed" merchandise.
2. Beware of "puzzle contests".
3. Forget the "freezer food plan" that promises free freezer, wholesale food, etc.
4. If you should "win a prize" it should never cost you money to collect.
5. Watch "selling out" sales carefully.
6. Beware of the "private party sales".
7. Resist tempting "deals" for your car.
8. Don't fall for the "sympathy" approach.
9. Widows -- Beware of "obituary ghouls".
10. Watch out for final big payment financing. It's called "balloon note" financing.
11. Suspect those offers for "free inspections".
12. Don't pay for a neighbor's package.
13. Fuel saving devices for your car are often fakes.
14. There's no "easy way to earn money at home".
15. Beware of leads to unexpected inheritances.
16. You risk your life or your money on quick "cures".
17. Watch out for high "interest" rates.
18. Vanity can cost you money or health.
19. Avoid "bait and switch" ads.
20. Read and understand everything before you sign.

Illegal Or Fraudulent Practices In Selling, Advertising, Or Business Should Be Reported To One Of The Following:

1. The Attorney General for illegal or fraudulent selling or advertising.
2. The Post Office Department for any type of dishonest selling or advertising through the mail.
3. The Food and Drug Administration for any misrepresentation or fraud connected with foods, drugs, cosmetics, or medical devices.
4. The Federal Trade Commission for deceptive practices which involve companies trading across state lines and which affect large numbers of people.
5. The Small Claims Court for prompt action on cases involving small sums of money.

6. Legal Aid Societies is available to those who can not afford to pay for legal services-for cases involving any type of illegal action.

Warning Signals For Spotting Frauds

1. The stranger you can't find again.

2. The bargain that's just too good.

3. The shady deal pitch.

4. I'll send it to you later.

5. Help with your money troubles.

6. The scare play.

Where To Get Help In Case Of Fraud

The Better Business Bureau gives you information before you get stuck:

. . . . Get in touch with this type of organization when you suspect that something is a fraud.

. . . . You may be able to find out if anybody else has complained or been defrauded by the same thing.

Beware Of Advertising Promises

1. Be sure you are dealing with a reliable person or dealer.

   A. If you have any doubt call the Better Business Bureau or Chamber of Commerce. They make no charge for their service and are anxious to furnish you with information about the reliability of any company.

2. Don't try to get something for nothing. The common law of business balance prohibits paying little and getting a lot.

3. Learn to recognize a schemer.

   A. If you become suspicious of someone representing himself as an advertising representative or "taking a survey". Call the Better Business Bureau before signing anything.

4. Learn to recognize these warning signals.

   A. Buy now or lose the chance

   B. It's only a legal form

   C. You can save up to

   D. Yours absolutely free

This type of advertising does not necessarily mean a bad deal, but it would be to your advantage to investigate further before signing a contract.

An honest salesman does not object to your examining his credentials and to allow you time to check his offer with your spouse, local businessmen or an attorney. Beware of a salesman who tries to hurry you into making a decision.

Don't be afraid to report a salesman who has tried to swindle you. Report to the local or state police anyone you suspect is trying to take advantage of you. It will be helpful to note license number and a personal description of the person.

Beware of expensive looking mail advertising "ranches" or "estates" far from your present location.

Beware of a salesman who says "Just sign here. It won't cost you a cent". You can't change your mind once you sign a contract.

Investigate first! Better Business Bureau can not help you once you sign a contract. Do not accept verbal promises from a salesman. Be sure all promises are included in the contract.

Never sign a blank contract. Have an attorney read your contract before signing it. Legal Aid Society can be of help.

Before making a purchase be sure that if it is defective that you are allowed to return it for the original purchase price. If an article is marked "All sales final", be sure it is not defective and that you want the article, for there will be no chance to return it if you are not satisfied. Make it a practice to check articles thoroughly before making a purchase.

Avoid people on the street who stop you and tell you of "finding a purse filled with money" or letters from persons offering "chests of gold" if you will just send them money to set up a jail bond, etc. If you suspect a "mail fraud" contact the U. S. Post Office Department. Do not send any money through the mail until you check with the Better Business Bureau to be sure the company is in existance.

If you receive a package in the mail with instructions to send a certain amount of money, be sure you want the item and also be sure the item is worth the price. Here again it would be wise to check with the Better Business Bureau to be sure the company is a reliable one.

Before signing a contract with a photographer, check to be sure this company is a reliable one.

A good practice would be to check with the Better Business Bureau before buying anything door to door or through the mail. A few minutes on the phone could save you many dollars.

Investigate before becoming a member of a "buying club". Many people have joined buying clubs and paid a fee and later found out that the clubs were nonexistent.

Before buying through a catalog, be sure the company exists and is reliable. Beware of advertising stating a very large saving--save up to 70 per cent.

How To Use And How To Contact Your Better Business Bureau

In the state of Tennessee, Better Business Bureaus are located in Chattanooga, Knoxville, Memphis, and Nashville. Through membership in the Council of Better Business Bureaus, all Bureaus are connected into a network of 150 BBB's in the United States and several foreign countries. Through this affiliation, the Better Business Bureaus are able to provide consumer inquiry and complaint assistance on firms located in other marketing areas across the country and abroad.

The Better Business Bureau is a non-profit, business supported agency designed to assist business in self-regulation of advertising and selling practices. This program is basically three-fold:

1. To encourage factual advertising by business
2. To disseminate factual reports concerning business operations
3. To assist consumers with complaint matters including distribution of

educational materials containing "good buying" facts and guidelines on various types of products and services.

A consumer is urged to call the Better Business Bureau before doing business with an unknown firm or individual to obtain a report compiled from Bureau file information. Such data can be obtained without cost to the inquirer by calling the Better Business Bureau in your area. The Nashville/Middle Tennessee area has recently installed a toll-free WATS line which serves 39 counties in the Middle Tennessee area. The number is 800-342-8388. The counties included in this area are Bedford, Cannon, Cheatham, Clay, Coffee, Cumberland, Dekalb, Dickson, Fentress, Franklin, Giles, Hickman, Houston, Humphreys, Jackson, Lawrence, Lewis, Lincoln, Macon, Marshall, Maury, Montgomery, Moore, Overton, Perry, Pickett, Putnam, Robertson, Rutherford, Smith, Stewart, Sumner, Trousdale, Warren, Wayne, White, Williamson, and Wilson counties. Davidson County area is also served by calling the local number which is 254-5872. The other three area numbers are Chattanooga (615) 266-6144, Knoxville (615) 522-2139, and Memphis (901) 527-2654.

The Better Business Bureau requires the name and address of the business firm on which inquiry is being made and the name, address, and telephone of the inquirer. Inquiries are strictly confidential to Bureau files.

A consumer desiring to file a complaint with the BBB should either send a written, signed statement outlining full details of the transaction, including date, receipt or contract number and copies of pertinent documents such as cancelled checks, etc., or a complainant may call the Bureau office and request a complaint form be mailed to him. Complaints should be filed with the Better Business Bureau only after a consumer has discussed the matter with company management and has not obtained what he feels is a satisfactory adjustment.

The Bureau has general information concerning a number of products and services which will be sent on request and consumer education programs can be arranged for civic, professional, educational groups and classes.

SELECTING AND BUYING FOOD

How To Buy

1. Plan your purchases in advance and use a shopping list. Include necessities and consider family preferences and your weekly meal plans to help make selections and substitutions when necessary. An overall spending plan and a detailed shopping list can help you find what you want and avoid impulse buying.

2. Deal only with reliable merchants. A merchant who stands behind his products and services is the best assurance of satisfaction, quality, and fair prices.

3. Check advertisements for specials. Also check the Department of Agriculture list in newspapers that reports when certain foods are in plentiful supply. At this time they will be at the peak of quality and at reasonable prices.

4. Try to shop in person-telephone orders and home deliveries are more expensive and should be avoided unless absolutely necessary.

5. Buy reasonable quantities of food in accordance with the size of the family and amount of storage space available.

6. Remember credit costs. Try to pay in cash.

7. Watch the checker as he weighs and rings up your purchases. If you think you've been overcharged, check the sales slip.

How To Select

1. Look for government inspection stamps on such products as meat, poultry, fish, and their by-products to be assured that you are buying food that is wholesome.

2. Compare costs of foods. Remember that the store's own brand may be cheaper and of comparable quality. Also foods differ in price in various forms--fresh, frozen, or canned.

3. Read all food labels thoroughly. Make sure that the ingredients listed are satisfactory for you.

4. Check the weight of the container to figure the cost per ounce or fluid measure.

5. When buying frozen foods, check containers, never buy an item which is covered with frost. Also make sure that you select food from the freezer line at 0^{o} or below.

6. Be on guard against shady advertising. Don't be taken by surprise when you see such words as "Jumbo Half Gallon", "Giant Quart" or the "New and Improved Large Pint". The container will "hold at capacity just so much and no more." The adjectives are just "come-ons" to "take" the customer who is very hungry for bargains.

How To Save When Buying Each Of The Four Food Groups

1. When buying fruits and vegetables consider color, shape, weight, size,

maturity, and freedom from defects.

2. When buying meat, consider the amount of lean meat, not the cost per pound. The number of servings you obtain from your selection will then determine actual cost.

3. When purchasing poultry look for clean skin, relatively few pin feathers and absence of bruises or discolorations. Poultry is less expensive than other cuts of meat.

4. Fish is high in nutritive value, but low in cost--A good substitute for meat.

5. Peanut butter and dry beans are also good inexpensive substitutes for meat.

6. Eggs are a less expensive source of protein than most meats. They should be purchased by comparing grades as well as sizes.

7. Buy packaged foods by weight, not by size of package.

8. You'll save money by cooking your own cereal. Ready to serve cereals in individual containers may cost up to three times more than the same cereal in a large box.

9. Baked goods that are homemade are less expensive than those prepared commercially.

10. Select bread for its weight and food value. Don't consider size of loaf.

11. Check dates on all dairy products and baked goods. Select only dairy items that have the latest date mark.

12. Watch the scale and cash register.

Complaints Against Food Or Food Stores

In order to determine how long a store has been in an area and the kind of reputation it has, contact the Better Business Bureau or the Chamber of Commerce.

If a store is unclean, contact the Health Department in your area.

Making Your Meals More Balanced

Corn Bread, Gravy, Grits, Dried Beans, Sweet and White Potatoes, Salt Pork, Neck Bones.

If this is your typical diet, try to add the following to have a better balance:

.Dry Milk (Use in cooking, or as a beverage)
Example: To make a quart of chocolate milk from dry milk, add 1/2 cup dry cocoa and 1/2 cup sugar.

.Add fresh vegetables whenever you can.

.Add fresh tomatoes whenever you can, used canned tomatoes and tomato juice.

.Add oranges, orange juice, or grapefruit whenever possible.

.Buy enriched cereals, rice, macaroni and flours. These cost no more than unenriched.

.Add peanuts, peanut butter, and eggs whenever possible.

Food Elements Most Often Lacking in Low-Income Diets.	Good Sources of These .Elements	Inexpensive Sources of These .Elements
1. Protein	Lean meats, fish, poultry, dry beans, peas, nuts, and peanut butter, eggs (used 3-5 times a week), liver (served once a week), milk (3 glasses daily) and cheese.	Dry beans, peas, peanut butter, dry milk, (should not be used as exclusive source of protein, but should be alternated with less expensive cuts of meat), ground beef, fish, chicken, pork liver, turkeys, heart, kidney, and egg.
2. Iron	Lean meats, liver, instant cream of wheat and baby cereals, eggs, dry beans, green leafy vegetables, dried fruits.	Pork liver, heart, kidney, dried beans, and peas, turnip greens, eggs, and cream of wheat.
3. Calcium	Milk, milk products, cheese and dark green, leafy vegetables.	Milk (dried or canned) and dark green leafy vegetables.
4. Vitamin "A"	Fortified instant mashed potatoes on Commodity Program dark green or deep yellow vegetable or fruit, eggs, cheese, and chicken giblets.	Available most of Fall and Winter cooked carrots, black-eye peas, sweet potatoes, squash, available at low prices in summer, cantaloupe, peaches, plums, greens-turnip, collards, mustard, spinach, and kale.
5. Vitamin "C" Cannot be stored by body so needs to be obtained each day.	Citrus fruits and juices, tomatoes, green leafy vegetables, cabbage.	Citrus juices (if provided by the Commodity Program), cabbage, collards, turnip greens, kale, mustard greens.
6. Vitamin "B"	Enriched breads, flours, cereals. Fair sources would be pork, peas, and peanuts.	Enriched bread, flours, and cereals.

See pamphlets for information on mixing milk. (a) Food for Thrifty Families, A Teaching Kit, published by U.S.D.A.'s Consumer and Marketing Service (b) "I Make My Own Buttermilk, Why Don't You?" Circular HE-el, Cooperative Extension Service, Auburn University, Auburn, Alabama.

April, 1975

Families	Low-Cost Plan	Moderate-Cost Plan	Liberal Plan
Young couple	$27.90	$34.90	$41.90
Elderly Couple	24.90	30.60	36.60
Family of 4 with preschool children	39.50	49.00	58.80
Family of 4 with elementary school children	47.90	59.80	71.70
Individuals			
Women			
20-54 years	11.30	14.00	16.80
55 years and over	10.20	12.50	14.90
Men			
20-54 years	14.10	17.70	21.30
55 years and over	12.40	15.30	18.40
Children			
1-2 years	6.40	7.80	9.30
3-5 years	7.70	9.50	11.40
6-8 years	10.00	12.50	14.90
9-11 years	12.50	15.60	18.70
Girls			
12-19 years	11.80	14.60	17.40
Boys			
12-14 years	13.30	16.60	19.80
15-19 years	14.60	18.30	21.90

SHOPPING

Advantages Of Buying With Cash:

1. Full use of future income and freedom from monthly payments.
2. Easier control of spending.
3. An opportunity to save credit charges.
4. The opportunity to bargain for reduced prices.
5. A credit reserve for emergencies.

Obtain Buying Information From:

. . . . Articles in newspapers and consumer magazines

. . . . Advertisements

. . . . Consumer information publications

. . . . Quality standards or ratings

. . . . Labels

. . . . Seals

. . . . Product testing services

. . . . Guarantees and warranties

Food Shopping Hints To Make Your Money Go Farther

Read the newspaper ads at home.

Compare prices at different stores.

Make a list of "Specials for the Week."

Plan menus for the week to include use of these specials. If you are able to buy for a week at a time, include use of each special more than one time. Example: Canned tomatoes could be used alone once, in vegetable soup once and stewed once. Cabbage could be cooked once, used in slaw once, and used to wrap a ground beef mixture once.

When in the store, compare prices on shelves. Sometimes the special price could be higher than the regular price.

Meat that contains a lot of bone and fat may have a low price, but it may

not be enough to serve your family when cooked. If buying a chuck roast, compare the price of one that is boneless with one that contains a bone. When you cook a chuck roast, save all drippings and fat for use in vegetable soup. This could spread this roast to two or three meals.

Check weights of packaged and bottled goods. Many times the containers can look larger than the contents.

When checking your groceries at the cash register, see that each item is charged according to the price which is on the package, and keep your newspaper ad with you to refer to when the clerk is charging the "Specials." Many times the regular price is charged for specials through error. With so many items in a grocery store it is very hard for a clerk to keep up with what is on "special" that day. If they make a mistake, they will be glad for you to remind them. Also there is a chance that through error you might be charged an amount different from that on a package when it is not a special. Paying close attention could save you money.

If you get something home and it is spoiled or for some reason is not edible, the grocer will usually take it back. Don't be afraid to tell him as this can be very costly.

Buy as much food as you can afford and can store at home. Wise shoppers try to limit their trips to the store as it is very easy to go for a loaf of bread and end up with a whole cart full.

Keep a collection of low cost recipes and make up your own to add to it.

Avoid buying fancy extras or snacks that have little food value. Use such snacks as carrot sticks, celery, radishes. Test recipes for snacks which are nutritional and inexpensive.

Shop at discount stores and join a buying group, if possible.

Quality--The quality of a product is determined by materials, design and workmanship. The price and brand name do not necessarily indicate the quality of merchandise.

High Quality offers the best material, design and workmanship. Generally, it provides the greatest utility, durability, and beauty.

Medium Quality usually offers reliable materials, design and workmanship. It is generally in the medium price range. Medium quality is well suited for most purposes even though it does not offer the top quality and extra features of higher priced goods.

Lower Quality normally offers acceptable materials, design and workmanship. It is usually in the low, low price range and offers few luxury or convenience features.

Hints:

1. Compare price and quality.
2. Avoid hasty buying.
3. Avoid impulse buying, make a rule to "sleep on" a major purchase.
4. Buy from dealers who sell better goods and service at reasonable prices.

Labels: Read the label - it may tell facts required by law for your protection such as:

1. What the item is made of
2. Size and number
3. The care it needs
4. How to use it

Guarantees: Read a guarantee carefully, check to see what it covers, how long it will be in force.

. . . . To save time, energy and money when shopping, use a well-planned (or practical) shopping list.

1. Include sizes, colors, quantity, quality, price range, brand names, etc.
2. In large stores or shopping centers list items to be purchased in workable order form - From basement up or top floor down.

The Usual Types Of Sales - (See Sales Calendar - Appendix)

Clearance Sales - Held primarily to remove excess merchandise. They include end-of-month, end-of-season, pre- or post-inventory and going out-of-business clearances.

Stimulation Sales - Are held to encourage buying during slack periods. They include reductions on regular merchandise or special prices on items ordered for sales.

Seasonal Sales - Are held at the end of seasons or sometimes pre-season. They cover seasonal merchandise - yard goods, clothing, outdoor furniture, etc.

Traditional Sales - Are normally scheduled for certain times each year - frequently annual or semi-annual.

Shopping Calendar

Here's the pattern that stores generally follow in setting up promotions throughout the year. Some are sales; others are special promotions that sometimes, but not always, include a sale on merchandise being promoted.

January - White sales, storewide clearance, resort wear, fur sales, furniture sales (third week)

February - Furniture and home furnishings sales, Valentine's Day, Washington's Birthday, housewares

March - Housewares, china, silver, garden supplies, spring and Easter promotions

April - Spring-cleaning supplies, moth preventives, paints, housewares, fur storage campaigns, outdoor furniture

May - Mother's Day, summer sportswear, air-conditioning, fans, bridal business, garden supplies, outdoor furniture

June - Graduation, Father's Day, bridal gifts, sportswear, men's sportswear, camp clothes and supplies, vacation needs

July - July 4th clearances, sporting goods, sportswear, furniture sales (fourth week)

August - Furniture sales, fur sales, back-to-school, fall fashions, fall fabrics

September - Back-to-school, fall fashions, men's and boys' sportswear, home furnishings, china and glassware, accessories

October - Women's coats, suits, and furs, men's and boys' outerwear, millinery and accessories, Columbus Day, home furnishings

November - Christmas toys, pre-Christmas value promotions, Thanksgiving weekend sales, china, glassware, table linens, home furnishings

December - Christmas campaign, gift promotions, resort wear - north and south (fourth week)

Source: Retail Merchant's Association

Consumer Aids

Look in the buying guide issue of Consumer Reports to find:

. . . . Comparative quality of different brand-models of the same products

. . . . Manufacturer's suggested retail price

. . . . Name of manufacturer

. . . . Special features of product

Personal Services (Laundries, Dry Cleaners, Beauty Shops, Barber Shops):

. . . . Look for services that meet your standards and pocketbook.

. . . . Consider location, business hours, speed of services, pick up and delivery schedules.

. . . . Find out how complaints are handled and how adjustments are made for unsatisfactory work.

Repair Services (TV sets, autos, appliances, and equipment)

. . . . Look for repair shops with reputations for reliable services, well-trained technicians, reasonable prices.

. . . . Know essential facts about products - manufacturer's name, model number, date of purchase, dealer's name.

. . . . Look for warranties issued at time of purchase to see if repairs or parts are covered.

. . . . Check service shop's guarantees on parts and labor.

. . . . Ask for written estimates on cost of repairs and parts and an itemized bill after servicing.

. . . . Return to original seller when possible.

Professional Services (Doctors, dentists, lawyers, accountants):

. . . . Check qualifications through professional societies and directories or through friends.

. . . . Look for accredited professionals who are licensed to practice in your state.

. . . . Discuss fees before services are performed.

. . . . Consider office hours, location (for doctors, the hospital with which they are associated).

A Tip On Record and Book Clubs

Take a careful look at the deal, and the fine print, before you decide to join. Otherwise, you may end up getting things you don't want.

A Tip On Specialists And Mail-Order Departments Of Stores

(Specialists are companies that do mail-order business through ads like the small "send-away-for" ads you often see in magazines.) In general, it's not a good idea to send money until you have received and tried the item, unless you know the company has a good reputation.

A Tip On Direct-Mail Items

Sometimes companies mail you something you haven't ordered, for a "free-trial." If you don't want the item, you don't have to send it back or pay. It's best to just set it aside.

How To Check On The Quality Of The Brands Sold By Mail-Order Houses

The magazine Consumer Reports is likely to have valuable information about this. It will help you compare the quality of these brands to the quality of brands sold in regular stores. You can get Consumer Reports in the library or on newsstands.

How To Have Mail-Order Items Shipped

. . . . Express is fastest and most expensive.

. . . . Parcel Post is slower, and costs less.

. . . . Freight is the slowest and least costly of all. You must use freight for items weighing more than 70 pounds.

You can often save money by having an item sent to the nearest retail store, and shipped from there to you.

How To Pay

Send your payment with the order. Send a check or money order -- not cash, which could get lost or stolen.

Pay the full amount, including shipping charges.

Or, if you can't figure the shipping charges, pay the rest and have the item sent C. O. D. (Cash on Delivery). The deliveryman will collect shipping charges from you when he brings the item.

If You Need Ordering Help

See a retail store or catalog store in your area. At a retail store you

may find that you will be able to buy the item there.

Returns And Complaints

If you decide you don't like or don't want an item, or if it doesn't fit - send the item back to the mail-order house.

Include a letter saying why you don't want it, and whether you want a credit, exchange, or refund. Most mail-order houses will take returns and give back money.

Check the catalog to see what to do if something arrives broken. (The mail-order house may handle the problem, or it may want you to complain to the shipper.)

To Take Advantage Of Sales

1. Know store policies - if item is returnable, what type merchandise is reduced.
2. Shop the first and last day of a big sale. The first day offers best selection and the last may offer further price cuts.
3. Know what you want and need. Aimless bargain hunting can result in useless buys and a waste of time and energy.
4. Find out the original price of sale items (to be sure of real price reductions).
5. Examine merchandise carefully.
6. Consider costs for repairing sale items. Price cuts on damaged merchandise may be too costly for repair.
7. Inspect seconds or irregulars.
8. Check guarantees on sales items.

Other Consumer Aids

1. Newspaper and magazine advertisements
   a. Women's page of newspaper, Food Shopping
   b. Men's magazines, Do-it-yourself ideas, Products for men
   c. Specialty and hobby magazines, Facts on cars, cameras, sports
2. Cookbooks, Hints on buying food
3. Government booklets, Facts on many consumer topics
4. Catalogs of big mail-order houses, Pictures and fair prices on all sorts of items

Measurement I

A family should not be indebted for more than 20% of a year's spendable income (income after taxes). Therefore, if a family's annual "take-home pay" is $4,800 a year, their debt limit would be about $960.

Measurement II

A family should not be obligated for more than what 10% of their spendable income could liquidate in a twelve to twenty-four month period.

For simplicity use 18 months as an average. Applying this standard, a family with a spendable income of $400 a month has $40 a month for debt repayment. This amount would repay $720 over an 18 month period. (Their safe limit would be between $700 and $750).

Measurement III

A family should not be indebted for more than 1/3 of their "discretionary" income. (Most of the family's income is spent on taxes, food, clothing, and shelter. Whatever is left over is called discretionary income which can be spent on recreation, furniture, etc.)

Once again using a family with an annual spendable income of $4,800 as an illustration, assume 75% or $3,600 is spent on taxes, food, clothing and shelter. The balance, $1,200 is discretionary income. Using measurement 3, this family's debt limit would be $400.

SOCIAL SECURITY

Social Security is the start of a family's life insurance. Almost every worker has some social security life insurance if he is married and has children. It usually is not enough to protect your family. The amount payable to your family depends on how much you earn and how long you have worked. Your employer, your life insurance agent, or the Social Security office can probably tell you what benefits you and your family have earned. Social Security insurance is a "best buy."

Contributions to Social Security are made by everyone working in an occupation covered by Social Security through FICA taxes which are usually paid for him by the company and also through deductions from his paychecks. If he is self-employed, he pays Social Security at the same time his income taxes are paid.

To get monthly cash payments for yourself and your family, or for your survivors to get payments in case of your death, you must have credit for a certain amount of work under Social Security, unless you are 72 or over who have not worked under Social Security.

Most employees get credit for 1/4 year of work if they are paid $50.00 or more in covered wages in a three month calendar quarter.

Fully Insured

Just how much credit you must have to be fully insured depends upon the year you reach 62 or upon the date of your death or disability.

You are fully insured if you have some credit for at least as many years (or number of quarters added up to the equivalent in years) as shown below.

If you reach 62, die or become disabled, you will be fully insured if you have credit for this much work.

In 1971	5 years
1975	6
1979	7
1983	8
1987	9
1991 or later	10

If you become disabled or die before reaching 62 you are fully insured if you have credit for 1/4 year of work for each year after 1950 and up to the year of your disability or death.

Currently Insured

You can be currently insured if you have Social Security Credit for at least 1 1/2 years of work within the three years before you die or become entitled to retirement benefits.

Contact Your Local Social Security Office If:
(Field Representative if local office is not available)

. . . . You are divorced, but were married at least 20 years.

. . . . You become disabled before age 65.

. . . . A working person in your household dies.

. . . . At retirement age.(retirement benefits are payable as early as age 62)

. . . . Three months before you reach 62 and at age 65 even if you are not planning to retire, in order to sign for hospital insurance and for the voluntary medical program.

. . . . You reach age 72, even if you have not retired.

. . . . There is a change in Social Security laws.

. . . . Your payments stop on dependent children. Remember that benefits under Social Security are not paid automatically--you must make a claim.

What Monthly Salary Can You Expect After Retirement At Age 65?

Some people think that if they have always earned the maximum amount covered by Social Security they will get the highest benefit shown on the chart that follows. This is not so. Although retirement benefits as high as $412.40 a month are shown, payments this high can not be paid to a worker retiring at 65 now. The maximum retirement benefit for a man who becomes 65 in July, 1975, is about $350 a month, based on average covered yearly earnings of $6,132.

Can You Work After Age 65 And Still Receive Social Security?

The retirement benefits will be cut or reduced if you work after 65 and earn more than $2,760 a year; but after 72 you can earn any amount without the benefits being reduced. If annual earnings go above $2,760, the administration will with-

hold $1 in benefits for each $2 in earnings above $2,760.

How Much Does The Wife Of A Retired Worker Receive?

At 62 the wife of a retired worker will receive an amount equivalent to half her husband's retirement salary from Social Security. If the wife is under 62, but is caring for an unmarried child (or children under 18) she can claim the same amount as the 62 year-old wife stated above. When the child becomes 18, marries, or leaves the care of the mother, this benefit ceases. Of course, when the wife becomes 62, she can apply for the wife's ordinary benefits.

Family Payments

Monthly payments can be made to certain dependents of a worker who has retired, become disabled, or who has died.

1. Unmarried children under 18, or up to 22, if they are full-time students.
2. Unmarried children 18 or over who were severely disabled before 22 and who continue to be disabled.
3. Wife or dependent husband 62 or over.
4. Wife under 62 if she is caring for worker's child under 18 (or disabled) who is getting a benefit based on the retired or disabled worker's earnings.

Monthly payments can be made to a deceased worker's:

1. Unmarried children under 18 (or 22 if full-time students).
2. Unmarried son or daughter 18 or over who is severely disabled before 22 and who continues to be disabled.
3. Widow or dependent widower 60 or older.
4. Widow under 60, or surviving divorced mother, if she is caring for worker's child under 18 (or disabled) who is getting a benefit based on the earnigs of the deceased worker.
5. Widow or dependent widower 50 or older who becomes disabled not later than 7 years after worker's death, or in the case of a widow, within 7 years after she stops getting checks as a widow caring for worker's children.
6. Dependent parents 62 or older.

How Much Can Children Of A Retired Worker Receive?

The children of a worker, provided they are dependent, unmarried and under 18 can receive an amount equivalent to 1/2 of the retired parent's benefits, based on retirement at age 62. These benefits cease when the child becomes 18

or married, or is no longer dependent. Children who are permanently disabled before 22 and continue to be disabled, continue to receive the benefits. If a child is in school, he can continue to draw the benefits until he is 22. Children are considered dependent on both their mothers and their fathers and they may become eligible for benefits when either parent becomes entitled to retirement or disability benefits or dies.

Who Else Can Receive Benefits?

1. There is a special provision for retired workers who reached 72 before 1969.
2. A divorced wife at 62 or a surviving divorced wife at 60 (or a disabled surviving divorced wife at 50 or older), provided she was married 20 years or more.
3. There are benefits for husbands of retired wives.
4. Monthly payments to the wife or dependent husband of a person entitled to retirement or disability payments generally can be made if the marriage has been in effect at least 1 year or the couple are parents of the child.
5. Payments can be made to the widow, stepchild, or dependent widower of a deceased worker if the marriage lasted 9 months or longer.
6. In the case of death in line of duty in the uniformed services, and in the case of accidental death if the marriage lasted for 3 months, under special circumstances.

These are special cases and would require counsel with the Social Security office in your area.

When Do You Take Action To Receive Social Security Benefits?

When any of the following occur, it would be wise to go to the Social Security office immediately:

1. Several months before the month you reach 62.
2. Several months (at least 3) before the month you reach 65.
3. When you reach age 72, even if not retired.
4. If you become disabled before age 65.
5. When a working person in your family dies or becomes disabled.
6. If you have been receiving payments on dependent children which stopped when the child reached age 18, age of payment termination has been changed to 22 if the child is in school.
7. If you are a divorced woman, but were married 20 years or more.

8. It would be wise to check at least every two years to be sure you are receiving credit for the money paid into the Social Security office.

9. If there is a change in the Social Security laws.

When Do Your Benefits Stop?

You must inform the Social Security office when any of the following occur: (If not, there will be a penalty)

1. If you are under 72 and drawing retirement and are making $2,100. a year you must tell the Social Security office.

2. When the insured dies, his insurance must be converted to survivors benefits.

3. If a person who is receiving monthly benefits as a dependent or as a survivor gets married, his or her benefits stop, except for qualified widows who remarry after reaching age 60.

Making Application

You must make application at least three months before the month you reach age 62. When you are nearing 65 or if you become disabled, get in touch with your Social Security office. When a person who has worked under the Social Security law dies, some member of his family should get in touch with the Social Security office.

Local Social Security offices are located in various towns throughout Tennessee. These local offices serve the people in their immediate area. There is no need to call an office other than the nearest one. Offices continue to be opened, but as of May 1, 1974, the following locations have Social Security offices:

Chattanooga	Greenville	Lawrenceburg	Oak Ridge
Clarksville	Jackson	Memphis	Paris
Columbia	Johnson City	McMinnville	Tullahoma
Cookeville	Kingsport	Morristown	Union City
Dyersburg	Knoxville	Murfreesboro	
Gallatin	Lafollette	Nashville - 6 offices	

Proofs Need -- Do Not Delay

1. Take your social security card or a record of your number; and if your claim is based on the earnings of another person, his card or a record of the number.

2. Proof of your age - (1) if you have a birth certificate or (2) a baptismal certificate made at or shortly after your birth.

3. If you are applying for wife's or widow's benefits, take your marriage certificate.

4. If your children are eligible, their birth certificates.

5. Take your Form W-2, Wage and Tax Statement for the previous year.

6. Proof that the applicant was being supported by the insured person is required before benefits can be paid to a parent after the death of a working son or daughter, or to a husband or widower whose working wife has retired, become disabled, or died.

Do Not Delay applying because you do not have all of these proofs. When you apply, the people in your Social Security office can tell you about other proofs that may be used.

Information Is Confidential

Under the law and regulations, Social Security records are confidential. Information from your record may not be disclosed without proper authorization.

Things To Do Now

1. If you are married, be sure to tell your wife or husband about your Social Security and where to find your card.

2. Put your Social Security card in a safe place. Make sure you show your card to any new employer.

3. Check your W-2 Forms. Once a year each employer has to give you two copies of a W-2 Tax and Wage Statement. One you file with your income tax return and the other you keep for your records. Keep all those copies in a safe place. Don't throw them away. They're records of your Social Security earnings, and you can check to see if your employer has your Social Security number correct.

4. Put your important family papers in a safe place. Make sure you have your marriage certificate and the birth certificates of yourself, your wife, and all the children. If any of these documents are missing, get properly certified copies.

Supplemental Security Income For The Aged, Blind, And Disabled

What Is This New Program?

The U.S. Government pays monthly checks to people in financial need who are 65 or older, and to people in need at any age who are blind or disabled. The payments, called supplemental security income, began in January, 1974. The new program has taken the place of federal-state programs of public assistance payments to people who are 65 or older or blind or disabled. States still provide

these people with Medicaid and Social Services.

Who Can Qualify?

People who have little or no regular cash income and who do not own much in the way of peoperty or other things that can be turned into cash, such as stocks, bonds, jewelry, or other valuables, may get supplemental security income.

What Is The Monthly Payment?

The aim of the program is to provide monthly checks, when they are needed, so that anyone who is 65 or older or blind or disabled can have a basic cash income. The amount for a single person is $157.70 and for a couple, $236.60 as of July 1, 1975. These are minimum amounts.

What Can People Own And Still Receive Payments?

A person who is single (or married but not living with his spouse) can have assets - things he owns - worth up to $1,500 and still get payments. The amount for a couple is $2,250. This includes savings accounts, stocks, bonds, jewelry, and other valuables. Not everything owned counts as an asset: a home with a market value of $25,000 or less, personal effects or household goods, insurance policies or a car may not affect eligibility either - depending on their value.

Can People Earn Some Income And Still Receive Supplemental Income?

Yes. The first $20 a month in unearned income isn't counted. Income above the first $20 a month generally reduces the amount of the supplemental security income payment. This includes Social Security checks, veterans compensation, workmen's compensation, pensions, annuities, gifts, and other income.

People who work while they are getting supplemental security income can earn as much as $65 in a month without any reduction in their government payment. The payment is reduced $1 for each $2 in earnings over $65 in a month.

$$\text{Earned income} - \$65 \over 2$$

Is Supplemental Security Income The Same As Social Security?

No. Even though the Social Security Administration runs the new U.S. Government program, supplemental security income is not the same as Social Security.

Social Security funds are not used to pay for supplemental security income; this money comes from general funds of the U. S. Treasury.

People who get Social Security checks can get supplemental security income, too, if they are eligible for both.

How To Apply

Contact any Social Security office.

BENEFITS FOR RETIRED OR DISABLED WORKERS

Examples Of Monthly Social Security Payments
(Effective June 1975)

Average Yearly Earnings After 1950

Benefits Can Be Paid To:	$923 or less	$3,000	$4,000	$5,000	$6,000	$8,000	$10,000
Worker Retired at 65	101.40	209.70	246.80	286.10	323.40	402.00	445.40
Worker Under 65 and Disabled	101.40	209.70	246.80	286.10	323.40	402.00	445.40
Worker Retired at 62	81.20	167.80	197.50	228.90	258.80	321.60	356.40
Wife at 62	50.70	104.90	123.40	143.10	161.70	201.00	222.70
Wife at 62 with no child	38.10	78.70	92.60	107.40	121.30	150.80	167.10
Wife under 65 with one child in her care	50.80	111.00	175.00	242.00	270.00	301.60	334.20
Widow at 65 if worker never received reduced retirement benefits	101. 40	209.70	246.80	286.10	323.40	402.00	445.40
Widow at 60 if sole survivor	74.90	150.00	176.50	204.60	231.30	287.50	318.50
Widow at 50 and Disabled if sole survivor	56.80	105.00	123.50	143.10	161.80	201.10	222.80
Widowed mother or father caring for one child	152.20	314.60	340.20	429.20	485.20	603.00	668.20
Maximum Family Payment	152.20	320.60	421.80	528.10	593.30	703.60	779.60

Special Provisions

Learners apprentices, messengers, handicapped workers, and full-time students employed in retail or service establishments or in agriculture under certain circumstances, may be paid special lower minimum wage rates provided that special certificates are first obtained from the divisions' administrator.

Equal Pay Provisions

The Equal Pay Act requires the same pay for men and women doing substantially equal work, requiring substantially equal skill, effort and responsibility under similar working conditions in the same establishment. The protection of the Equal Pay Act was extended to executive, administrative, professional and outside sales employees, by section 906 (b) (1) of the Education Amendments of 1972, effective July 1, 1972.

Investigations

The law provides that authorized representatives of the wage and hour and public contracts divisions may investigate and gather data regarding the wages, hours, and other conditions, and practices of employment. They may enter establishments and inspect the premises and records, transcribe records and interview employees. They may investigate whatever facts, conditions, practices, or matters which are considered necessary to find out whether any person has violated any provisions of the act.

Wage-hour investigators generally will make suggestions regarding any change necessary or desirable regarding payroll, recordkeeping, and other practices which will aid in achieving and maintaining compliance with the law. Complaints, records, and other information obtained from employers and employees are treated confidentially.

Retail And Service Enterprises And Establishments

All previously covered employees (prior to February 1, 1967) began receiving $2.30 an hour as of January 1, 1976. This includes employees engaged in inter-

state or foreign commerce and in the production of goods for such commerce, or employed in certain large enterprises so engaged.

Newly Covered Employees

Employees engaged in interstate commerce, including employees handling, selling, or otherwise working on goods that have been moved in or produced for such commerce by any person and which have an annual gross volume of sales made or bus[illegible] done of not less than $250,000, exclusive of excise taxes at the ret[illegible]evel which are separately stated. Wage scale is:

$2.20 an hour, beginning January 1, 1976
$2.30 an hour, beginning January 1, 1977 And overtime after 40 hours

For exemptions see the Office of Wage and Hours and Public Contracts Divisions of the U. S. Department of Labor.

Recovery Of Back Pay

Under the Wage and Hour and Public Contracts Divisions, these methods of recovering unpaid minimum and/or overtime wages are provided:

1. The divisions' administrator may supervise payment of back wages.
2. The Secretary of Labor may bring suit for back pay and for an equal amount of liquidated damages. No written request from the employee is needed. Suit may be brought even though issues of law are involved that have not been finally settled by the courts.
3. An employee may sue for back wages and an additional sum, up to the amount of back pay, as liquidated damages, plus attorney's fees and court costs.
4. The Secretary of Labor may also obtain a court injunction to restrain any person from violating the law, including the unlawful withholding of proper minimum wage and overtime compensation. (An employee may not bring suit if he has been paid back wages under supervision of the administrator or if the Secretary has filed suit to enjoin the employer from retaining the wages due him.)

A two-year statute of limitations applies to the recovery of back wages, except in the case of willful violations for which there is a three-year statute of limitations.

Child Labor Law

Basic age for a child to work is age 16. For hazardous occupations, declared by the Secretary of Labor, the minimum age is 18. Outside of school hours, minors

age 14 and 15 can be employed in jobs which are nonmanufacturing and nonmining, but not after 7 p.m. or before 7 a.m., or over three hours per school day, or 18 hours per school week; or 8 hours per non-school day, 40 hours per non-school week. Where both federal and state labor laws apply, the higher standards must be observed. Violations of child labor practices are now subject to civil penalties. And under new regulations, the Secretary can require that proof of age be kept on file with the employer.

Basic Wage And Hour Standard

Overtime

1. Employees of nursing homes, rest homes, and hospitals may adopt a 14-day overtime computation period in lieu of the usual 7-day workweek, provided at least 1 1/2 times the employee's regular rate is paid for hours in excess of 8 in any workday and 80 hours in any 14 consecutive day work period.

2. Bowling alley employees must receive 1 1/2 times their regular rate for working an excess of 44 hours, effective June 1, 1975, and 40 hours, effective June 1, 1976. Overtime must currently be paid for an excess of 48 hours in one week.

3. The law does not require extra pay for Saturday, Sunday, or holiday work as such, or vacation, or a discharge notice; nor does it set any limit on the number of hours for persons 16 years or over.

Enforcement

It is a violation of the law to discharge an employee for filing a complaint or participating in a proceeding under the law.

Willful violations may be prosecuted criminally and the violator fined up to $10,000. A second conviction for such a violation may result in imprisonment.

Tipped Employees

A tipped employee, by definition of the law, is one who customarily earns more than $20 per month in tips. If the employee earns less than the $20 minimum, the employer must make up the difference by paying the minimum wage.

Uniforms

If employees must wear uniforms, the cost and maintenance can not be charged to him, when to do so would reduce the wage paid below the minimum wage.

Previously covered employees in the hotel, motel, restaurants, and food

service line will have a minimum wage of $2.20.

Hospitals And Nursing Homes

Employees of hospitals and nursing homes, unless specifically exempt, must be paid not less than the minimum wage of $2.20 an hour and beginning January 1, 1977 the rate will increase to $2.30 an hour.

The cost of board and lodging may be considered as part of the wage, and overtime is 1 1/2 times the base rate, overtime is paid on hours worked more than 40 a week, unless the hospital or nursing home employee and his employer have agreed that a fixed work period of 14 consecutive days is accepted in lieu of the workweek of 7 consecutive days for the purpose of computing overtime. Where such an agreement of understanding exists, the hospital or nursing home must pay the employee at 1 1/2 times his regular rate of pay for the hours worked over 8 in any workday or in excess of 80 hours in the 14-day period, whichever is the greater number of overtime hours.

The same law applies to hospital, nursing home and rest home employees regarding Saturday and Sunday work as for school employees.

Farm Workers

Employees employed in agriculture, by an employer who used more than 500 man-days of agricultural labor in any calendar quarter of the proceding calendar year, must be paid a minimum wage of at least $2.00 an hour beginning January 1, 1976; $2.20 an hour beginning January 1, 1977; and $2.30 an hour beginning January 1, 1978. There is no requirement regarding overtime for farm workers.

Hired farm workers are workers who cultivate the soil, or grow or harvest crops, or who raise livestock, bees, fur bearing animals, or poultry. Those who work in greenhouses, nurseries, and hatcheries are included. Included are persons who deliver farm products to market. When products are not grown by the employer, they are covered under the minimum wage law of $2.00 an hour and to overtime pay of 1 1/2 times their pay for any hours over 40. Pickers and threshers are covered under the $1.90 an hour law.

Exemptions From Minimum Wages And Overtime

The following are exempt from minimum wage and overtime:

1. Workers who are employed in agriculture by an employer who did not use 500 man days of farm labor in any calendar quarter of the preceding calendar year.

2. Members of the employer's immediate family.

3. Hand harvest laborers paid piece rates in an operation generally recognized as piece work in the region, if (a) they go each day to the farm from their permanent residence, and (b) they have been employed in agriculture less than 13 weeks in the preceding calendar year.

4. Migrant hand harvest laborers 16 years of age and under and employed on the same farm as their parents, if (a) they are paid piece rates in an operation generally recognized as piece work in the region, and (b) the piece rate is same as paid workers over age 16.

5. Employees principally engaged in the range production of livestock.

Man Day

A "man day" means any day during which an employee performs agricultural labor for not less than one hour. Workers listed in (2) and (3) above are excluded when counting "man days."

Schools And Institutions Of Higher Learning

For schools and institutions of higher learning, employees, unless specifically exempt, must be paid not less than the minimum wage of $2.20 an hour beginning January 1, 1976 and $2.30 an hour beginning January 1, 1977.

The reasonable cost of fair value as determined by the administrator of meals (board) and lodging customarily furnished by the employer may be considered as part of an employee's wages. The term "reasonable cost" as used in the act does not include a profit to the employer or to any affiliated person.

Private Schools

Employees of private schools must be paid $2.00 an hour.

Any of the above employees who work more than 40 hours a week must be paid no less than 1 1/2 times their regular rates for all hours worked. The law does not require premium pay for Saturday, Sunday, or holiday work as such, or vacation or severance pay, or a discharge notice; nor does it set any limit on

the number of hours of work for females or persons 16 years of age and over.

Hotels - Motels - Restaurants - Food Services

Persons employed in hotel, motel, restaurant, or as food service employees of retail or service establishments unless specifically exempt, must be paid not less than the minimum wage shown in the following schedules:

Provisions applicable to employment covered prior to February 1, 1967, and for retail or service enterprises having an annual gross volume of sales of at least $1 million in business must be paid $2.30 an hour.

Provisions applicable on and after May 1, 1974, to employment of employees brought under the Fair Labor Standards Act in 1967 and later and enterprises with an annual gross volume of sales or business of $250,000 must be paid $2.20 an hour. The cost of board and lodging can be considered as part of the wages, and the overtime law is the same.

Laundries And Dry Cleaning Establishments

Employment coverage prior to 1966 amendments:

Establisments performing central functions such as providing office, warehouse, or garage services for two or more establishments engaged in laundering, cleaning, or repairing clothing or fabrics.

Establishments engaged in laundry, cleaning or repairing clothing or fabrics, making 50 per cent or more of its annual dollar volume of sales of such services from laundry or dry cleaning work for out-of-state customers.

Establishments engaged in laundering, cleaning, or repairing clothing or fabrics, making more than 25 percent of its annual dollar volume of sales of such services from laundry or dry cleaning work for customers engaged in mining, manufacturing, transportation, and communications businesses.

Beginning May 1, 1974, these employees had to be paid $2.00 an hour-overtime after 40 hours.

Employment Coverage Now

All other employees employed in laundry and dry cleaning enterprises,

regardless of their previous status under the act, and without regard to the annual volume of sales or business done are newly covered employees and unless specifically exempt, must be paid not less than the minimum wage for all hours worked and not less than 1 1/2 times their regular rates of pay for overtime:

$2.20 an hour, beginning January 1, 1976 and overtime after 40 hours a week

Construction Workers

Previously covered workers - these continue to be covered:

1. Employees individually engaged in work relating to construction which is closely connected with interstate commerce or producing goods for interstate commerce.

2. All employees employed in a construction (or reconstruction) enterprise having an annual gross volume of business of not less than $350,000 in which some employees handle or work on materials or goods that have been moved in or produced for interstate commerce.

For previously covered employees the minimum wage effective May 1, 1974, is $2.00 an hour and overtime pay is not less than 1 1/2 times their regular rate for all hours worked over 40 in any workweek.

Newly covered workers:

All Construction Employees

$2.20 an hour, beginning January 1, 1976

Overtime same as above.

Wages include the "reasonable cost" or "fair value", as determined by the administrator, of board (meals), lodging, or other facilities customarily furnished by an employer to his employees unless excluded by the terms of an applicable bona fide collective bargaining agreement. "Reasonable cost" has been determined to be "actual cost" and does not include a profit to the employer or to any affiliated person. This law does not require premium pay for Saturday, Sunday, or holiday work as such or vacation or severance pay, or a discharge notice, nor does it set any limit on the number of hours of work for females or persons 16 years of age and over. This includes time spent traveling from job to job during a workday (not from job to home, and vice versa). There are some exceptions, for example, when an emergency call is made

to a plumber and he must respond in off-duty hours.

How To Compute Overtime Pay

Hourly Rate

The regular rate of pay for an employee paid by the hour is his hourly rate. When he works more than 40 hours in a workweek, he is due at least 1 1/2 times his regular rate for each hour over 40. Example:

An employee gets paid $2.30 an hour; this is his regular rate. If he worked a 44 hour workweek, he would be entitled to at least 1 1/2 times $2.30 or $3.45 for each hour over 40. His pay for the week would be $92.00 for the first 40 hours plus $13.80 for the 4 hours overtime, or a total of $105.80.

Piece Rate

Overtime on a piece rate basis is obtained by dividing the total weekly earnings by the total number of hours worked in the same week. The employee is entitled to 1/2 this regular rate for each hour over 40 plus his regular earnings. Example:

An employee worked 45 hours a week and his earnings came to $90.00. His regular rate of pay for that week was $2.00 ($90.00 divided by 45). In addition to his regular rate the employee is entitled to $1.00 (1/2 of $2.00) for each hour over 40, or 5 times $1.00 for the 5 overtime hours. This $5.00 overtime premium brought his total earnings to $95.00.

Salaries

The regular rate for an employee who is paid a salary for a regular or specified number of hours a week is obtained by dividing the weekly salary by the number of hours. Example:

An employee is paid a salary of $80.00 for a 40-hour week. His regular rate of pay is $80.00 divided by 40 or $2.00 an hour. When he works overtime he will be entitled to 1 1/2 times the $2.00 or $3.00 for each hour over the 40th.

Explanation Of Terms

Work Week

Term applied to a period of 168 hours during seven consecutive 24-hour periods. The workweek may begin any day of the week or any hour established by employer.

Hours Worked

Generally "hours worked" includes all the time an employee is required to

be on duty, or on the employer's premises, or at other specified places of work. Under certain circumstances, "waiting time" to work is also considered hours worked.

Tips

A "tipped" employee is a worker engaged in an occupation in which he customarily and regularly received more than $20 a month in tips. Tips received by a tipped employee may be considered by the employer as part of the wages of the employee. (Wage credit permitted for such tips as the employer may decide can not exceed 50% of the applicable minimum rate.)

Garnishment

Means any legal or equitable procedure through which earnings of any individual are required to be withheld for the payment of any debt. The Federal Wage Garnishment law limits the amount of an employee's earnings which may be made subject to garnishment. The maximum part of the total disposable earnings of an individual which is subject to garnishment in any workweek may not exceed the lesser of:

1. 25 percent of the disposable earnings for that week;

OR

2. The amount by which his disposable earnings for that week exceeds 30 times the Federal minimum hourly wage prescribed by the Fair Labor Standards Act in effect at the time earnings are payable.

You can not be fired for your first garnishment, however, if you get a second one, you can be fired. Can only be done by judgment of a court of law.

UNEMPLOYMENT COMPENSATION

Apply for state and federal unemployment insurance benefits. In Tennessee, each worker is entitled to benefits if he meets the eligibility requirements: has worked for certain length of time; was separated from work by no fault of his own, etc. Certain other incomes besides earnings may not be held against you. Benefits to unemployed are NOT restricted because of a working spouse or working children. Take a pay stub, a record of employment, and if possible, a letter from your employer stating the reason for your dismissal to your local Employment Security Claims Office.

Unemployment Insurance Benefits In Tennessee

The maximum benefit is now $85 a week. The regular benefit is for up to 26 weeks after which you can receive extended compensation (1/2 State & 1/2 Federal funds) for up to another 13 weeks. This makes a total of 39 weeks. If this time is exhausted and you are still unemployed, there is a Federal Supplemental Benefit (called FSB) which became effective in 1975 when unemployment became a problem. The FSB is for another 13 weeks' extension, making a total of 52 weeks. If the unemployment rate for the State of Tennessee goes above 6%, there is an additional extension of the FSB Program which will continue benefits for up to another 13 weeks, making the total time 65 weeks.

For those employees not covered by unemployment insurance, because their employers do not pay into the Unemployment Insurance Program, there is a Special Unemployment Assistance Program called SUA -- the state-county-city employees, domestics, farmworkers and teachers (contract teachers are not eligible between terms) are among this group. These employees must, however, meet the same eligibility formula as those covered under unemployment insurance.

WELFARE
(Current as of June, 1976)

APPLYING FOR WELFARE

Step 1: To apply for public assistance in Tennessee, you must go to the county welfare department. This department in your county is known as (county) Office of Tennessee Department of Human Services. If you are sick, you may call or send someone in for you.

TWO MAJOR TYPES OF PUBLIC ASSISTANCE:

(a) Aid to families of dependent children.

(b) Medicaid for medically indigent.

Step 2: You will then be asked to fill out an application for a particular category. Make sure that you read carefully everything on the application form before you sign it. If there is something on it you do not understand, ask questions.

Always remember that you have a right to receive assistance if you are found to be eligible. No one can take that right from you, so feel free to ask questions. The Department of Human Services should make a decision on your application for AFDC within 45 days. Aid can be received 45 days after application.

AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)

AFDC is a public assistance program through which the county Department of Human Services provides services and money for dependent children who are in need because their parents are not able to support them due to their parents' death, disability, or absence.

Requirements

1. If the applicant is a relative other than a parent, information must be given about the parents and their financial situation.

2. The family does not have more than $500 cash, for families of 3 persons

but the home can be owned provided equity does not exceed $9,000.

3. Thirty dollars of earned income plus 1/3 of the remaining earned income of any members of the family can be exempted for families receiving assistance.

4. Along with the family, the child does not have enough income to meet living expenses at a subsistance level.

5. If a child is working, but is either a part-time or full-time student, any income he earns is disregarded.

6. Any able-bodied person 16 years or over not in school must accept work unless there are valid approved personal reasons why they could not accept work.

7. If the father is in the armed services and lives apart from the family, and the family is otherwise eligible, by welfare standards, aid may be available.

Eligibility

1. Be in need, according to the Department's standards.

2. Be living in the state at the time of application and while receiving aid.

3. Be living in a suitable family home with an adult who is his natural or adoptive parent or blood relative. Under certain conditions aid may be continued for a child who has been removed from his home by court action.

4. Lack of parental support or care because of death, continued absence from home, or disability of one or both parents.

5. Be under 18 years of age or if child is in school and between the ages of 18 and 21, he may be eligible for aid. If the child is 18 years but under 21 years, living in the home, but not in school, he may be eligible for medicaid assistance only.

Benefits

Cash payments for support of minor children plus other services such as medical care, etc.

Maximum Monthly Grants

	Monthly Grant
Adult (caretaker) plus 1 child	$ 99.00
Caretaker plus 2 children	115.00

Maximum monthly grants for children without caretaker; that is, for a recipient who receives aid for extra children who must be blood or legal relatives.

	Monthly Grant
1 child without caretaker	$49.00
2 children without caretaker	66.00

For each additional child add $16.00 per month.

OTHER SERVICES AVAILABLE

FOOD

If you are a welfare recipient, you may also be eligible for the food stamp program. Application should be made at your county welfare department office, and they will tell you if you are eligible.

MEDICAL CARE

Medical assistance is available to recipients of SSI, to families with dependent children and to certain medically indigent people through the Medicaid program. If they determine that you are eligible for assistance, the amount you will receive is decided on. They will take into account the amount of property you have, your savings, wages, and income from other sources, a budget is worked out and the amount you will receive is determined on the basis of this budget.

FAMILY PLANNING

A sponsored program which gives women in poverty areas the freedom to choose how many children they want and when they want them.

THE APPLICANT'S RESPONSIBILITIES ARE:

1. To give full information about himself, his income and resources, when requested.
2. To notify the county department of any changes in his situation, especially all changes in income, employment and resources.
3. To report any changes in address promptly to the county Department of Human Services.

4. To cooperate fully with the county department in keeping appointments and providing information.

WHAT IF I MOVE?

A person may have his assistance grant transferred from one county to another within the state of Tennessee, but assistance cannot be transferred from one state to another. If a recipient plans to move he should report all changes in address immediately to the county department to make sure that checks and other papers are mailed correctly.

PENALTIES FOR FRAUD

The Tennessee law provides penalties for persons who receive or help others to receive public funds illegally.

HOW TO APPEAL

You have a right to appeal if -

1. Action has not been taken on your application within a 45-day period.
2. Your application has been rejected.
3. The amount of your assistance check is incorrect.
4. Your assistance check has been discontinued.
5. You feel that you have been discriminated against because of your color, race, or national origin.
6. You feel you have a good reason to complain.

YOU CAN APPEAL IN THIS WAY:

Step 1. Obtain an appeal form from your county welfare office.

Step 2. Fill out this form and send it to the

State Department of Human Services
410 State Office Building
Nashville, TN 37219

Upon receiving an appeal, the State Department of Human Services will schedule a hearing in the county where the applicant resides. At the hearing, the applicant is given an opportunity to discuss his situation, to present witnesses in his behalf and to have legal or other representation.

THE FOOD STAMP PROGRAM

RESPONSIBILITY

The United States Department of Agriculture is responsible for the overall administration of the food stamp program while the State Department of Human Services is responsible for state supervision.

The local County Department of Human Services is responsible for determining eligibility of all applicants and for periodic review of participants.

PURPOSE

The food stamp program enables low-income households to buy more food of greater variety to improve their diets. Participants pay a small sum of money--the amount based on family size and net monthly income--and receive a larger value of food stamps, which can be spent like money in participating food stores.

ELIGIBILITY

I. Must be residing in the county in which he is applying. If the household moves to another area or county, it must recertify in the new county or area within 60 days following the move.

II. Must register to work if able-bodied and between 18 and 65 years of age. (There are some exceptions.)

III. Must be personally interviewed by an eligibility worker.

IV. Anyone who has a low income and meets the "Household" requirements, and is within the Resource Limits.

A. Households - Must be a single or family household able to prepare meals and have cooking facilities available. (exception - See "Meals-on-Wheels" Service for those elderly, disabled who qualify for delivered meal service.)

1. Definitions of Households

a. A single person living alone who purchases and prepares food for home consumption.

b. An elderly person and his spouse.

c. A group of persons who are living as one economic unit sharing common cooking facilities and for whom food is customarily purchased.

The definition of a household does not include roomers, boarders, nor unrelated live-in attendants who are necessary for medical, housekeeping, or child care reasons. Neither does it include residents of institutions or boarding homes except when approved by USDA.

2. Public Assistance Households

a. Households in which <u>all</u> members are receiving A.F.D.C. or general assistance payments <u>are</u> eligible for food stamps without regard to income and resource eligibility standards.

b. The Partial Public Assistance Households - Single Family Households receiving <u>some</u> type of public or general assistance are usually determined to be in economic need and are eligible for food stamps, unless there is some member of the household whose income renders it ineligible.

3. Social Security and Low-Income Households - Family households who are on social security or who have low incomes may also receive food stamps if the <u>total monthly income pay</u> in the household does not exceed the amount shown in the table on the next page. (Note: To establish the Total Monthly Income, participants are allowed to make certain deductions - See House Expenses Deducted from Income)

4. Student Household - Students who constitute a household (not dormitory) may be eligible if they meet requirements.

5. A Percentage of Household Expenses Can Be Deducted From Income - Expenses deducted from income include such mandatory expenses as: local, State and Federal income taxes; Social Socurity taxes under

FICA: mandatory retirement, and union dues. Rent, utilities or mortgage payments above 30 percent of income after the mandatory deductions. Medical costs (but not special diets) when more than $10 a month; child care when necessary in order to work; fire, theft, hurricane or other disaster expenses; educational expenses which are for tuition and mandatory school fees.

6. What Are Resources? - Resources are such liquid assets as cash on hand, in bank or other savings institution accounts, U.S. Savings Bonds, stocks and bonds, and such nonliquid assets as buildings, except for the family home, land, and certain real or personal property. Each household is allowed up to $1,500 in resources except for those households of two or more persons with a member or members age 60 or over - then the resources may not exceed $3,000.
7. Resources included - The following resources are not considered in determining food stamp eligibility: home, one care and other unlicensed vehicles, life insurance policies, income producing real estate, vehicle needed for purpose of employement, tools of a tradesman, farm machinery, etc. The maximum eligible income for a family of 4 is $553 per month, less certain deductions.

Effective as of January 1, 1976:

Household Size	Adjusted Total Monthly Income-Net	Total Stamps Allowed
1	$215	$ 50
2	307	92
3	433	130
4	553	166
5	660	198
6	787	236
7	873	262
8	993	298
9	1120	336

WHAT FOOD STAMPS CAN BUY

Families can take their coupons to an authorized grocery store and can buy any edible product, that is, anything that goes into the mouth. Tobacco in any form and alcoholic beverages are exceptions. Cleaning supplies such as soaps, toilet tissue, etc. cannot be purchased with food stamps. Recipients may purchase seeds and plants for use in growing food for their personal use.

APPENDIXES

STATE AND LOCAL RESOURCE INFORMATION

AGING

Tennessee Commission on Aging
Capitol Towers Apts.
510 Gay Street
Nashville, Tennessee 37219
741-2056

A state agency designated to study and plan on a state-wide basis for the social, physical and economic needs of the aging population in Tennessee. It provides information and technical assistance to local and state level agencies and groups working with the aging.

Tennessee Council on Aging
112 Louise Avenue
Nashville, Tennessee 37203

A service organization which deals primarily in identification and analysis of health, social and economic needs of Tennessee's aging; suggests programs to improve the well-being of the aged; and attempts to stimulate interested organizations and agencies to implement such programs.

Senior Citizens, Inc.

Check your local area for information.

AGRICULTURE

Agriculture Extension Service
701 Jefferson Street
Nashville, Tennessee 37208
747-4568

Offers a variety of services, including many areas.

Tennessee Department of Agriculture
Commodity Distribution Section
Ellington Agricultural Center
Nashville, Tennessee
741-1406

Responsible for accepting and distributing food to groups and agencies found eligible.

ARMED FORCES AND THEIR FAMILIES

American Red Cross
U.S.O.

Check your local area for information.

BLINDNESS AND VISUAL HANDICAPS

Tennessee Department of Public Welfare

Check your local area for information.

Tennessee School for the Blind
115 Stewart's Ferry Pike
Donelson, Tennessee 37214
741-4431

Provides educational opportunities for blind children in regular nine-month program, from 1st through 12th grades.

BUSINESS DEVELOPMENT

Chamber of Commerce

Check your local area for information.

CONSUMER PROTECTION

Better Business Bureau

Check your local area for information.

DEAF AND HARD OF HEARING

Tennessee School for the Deaf
P. O. Box 886
Knoxville, Tennessee 37901
577-7581

For Tennessee children between the ages of 6 and 20 years.

DRUG DEPENDENCY AND ABUSE

Tennessee Department of Mental Health
Room 300
Cordell Hull Building
Nashville, Tennessee 37219
741-3107

DRUGS FOR MEDICALLY INDIGENT

Tennessee Department of Public Health
344 Cordell Hull Building
Nashville, Tennessee 37219
741-3111

EDUCATION

Tennessee Department of Education
Cordell Hull Building
Nashville, Tennessee 37219
741-2361

Division of Vocational Rehabilitation
1808 West End Avenue
Nashville, Tennessee 37203
741-2521

EMPLOYMENT

Tennessee Department of Employment Security

Check your local area for information.

FAMILY COUNSELING

Tennessee Department of Public Welfare

Check your local area for information.

FIRE RELIEF

American Red Cross - Disaster Relief

Check your local area for information.

FOOD DISTRIBUTION PROGRAMS

Tennessee Department of Agriculture

(See "Agriculture")

Tennessee Department of Public Welfare
410 State Office Building
Nashville, Tennessee 37219
741-3241

Food Stamp Program
741-3531

U. S. Department of Agriculture
Food and Nutritution Service

Check your local area for information

FOSTER FAMILY CARE OF CHILDREN

Tennessee Department of Public Welfare

Check your local area for information.

HANDICAPPED

Tennessee Department of Education
Division of Vocational Rehabilitation

(See "Education")

Tennessee Department of Mental Health

(See "Drug Dependency")

Tennessee Department of Public Health

(See "Drugs for Medically Indigent")

Tennessee Department of Public Welfare

Check your local office for information.

HEALTH/EDUCATION AND PROMOTION

American Cancer Society
2519 White Avenue
Nashville, Tennessee 37204

Research and service.

American Social Health Association
173 Walton Street, N.W.
Atlanta, Georgia 30303
525-3481

Services available to aid in development of community programs for social and physical problems.

Arthritis Foundation
(Middle-East Tennessee)
Suite 408
West End Avenue
Nashville, Tennessee 37203

National Council on Alcoholism

Check your local area for information.

National Cystic Fibrosis Research Foundation
1101 Heyburn Building
Louisville, Kentucky 40202

National Foundation - March of Dimes
Field Offices: Nashville, Knoxville, Memphis

National Hemophila Foundation
Cumberland Chapter
Station 17, Vanderbilt University Hospital
Nashville, Tennessee 37203

United Cerebral Palsy
(Middle Tennessee)
337-22nd Avenue North
Nashville, Tennessee 37209

HEALTH SERVICES

Check your local area for information.

HEARING AIDS

Tennessee Department of Public Health
Speech and Hearing Section
741-2340

(See "Drug Dependency and Abuse")

HOME BOUND SERVICES

American Red Cross

HUMAN RELATIONS

Tennessee Commission for Human Development
C3-305 Cordell Hull Building
Nashville, Tennessee 37219
741-2424

To encourage, promote and develop fair and equal treatment of all individuals in Tennessee.

LIBRARIES

Check your local area for information.

MEDICAID

Tennessee Department of Public Health

(See "Drugs for Medically Indigent")

MEDICARE

Social Security Administration

Check your local area for information.

MENTAL HEALTH

Tennessee Department of Mental Health

(See "Drug Dependency and Abuse")

MENTAL RETARDATION

Retardation Programs Coordinator
State of Tennessee
331-B Cordell Hull Building
Nashville, Tennessee 37219
741-2526

Tennessee Department of Mental Health - Retardation Service

(See "Drug Dependency and Abuse")

NURSING HOMES

Tennessee Department of Public Health

(See "Drugs for Medically Indigent")

PRISONERS RELEASED

Tennessee Rehabilitation Association
c/o Third National Bank
Nashville, Tennessee 37219
747-0554

Help in finding jobs.

RECREATION AND LEISURE-TIME SERVICES

Tennessee Department of Conservation
Division of State Parks
2611 West End Avenue
Nashville, Tennessee 37203
741-2301

RELOCATION

Tennessee Highway Department

Check your local area for information.

SHELTERED EMPLOYMENT AND TRAINING

Goodwill Industries

Check your local area for information.

Salvation Army

Check your local area for information.

Tennessee Department of Public Welfare - Workshop for the Blind

Check your local area for information.

TRANSPLANTS

Kidney Foundation of Tennessee, Inc.
Suite 406
1916 Patterson Street
Nashville, Tennessee 37203

Aids in giving services and information.

UNEMPLOYMENT COMPENSATION

Tennessee Department of Employment Security

Check your local area for information.

UNMARRIED PARENTHOOD

Tennessee Department of Public Welfare

Check your local area for information.

Planned Parenthood - Family Planning

VETERANS ASSISTANCE

American Legion, Department of Tennessee
323 Seventh Avenue North
Nashville, Tennessee 37219

American Legion Auxiliary, Department of Tennessee
1922 Broad Street
Nashville, Tennessee 37203

Red Cross

Check your local area for information.

Tennessee Department of Employment Security

Check your local area for information.

Tennessee Division of Veterans Affairs
323 Seventh Avenue North
Nashville, Tennessee 37219
741-2931

Veterans Administration Regional Office
U.S. Court House
801 Broadway
Nashville, Tennessee 37203

VITAL STATISTICS

Tennessee Department of Public Health
Division of Vital Statistics
C-3 Cordell Hull Building
Nashville, Tennessee 37219
741-3306

Records of births and deaths in Tennessee.
Certified copies for $2.00.

VOCATIONAL EDUCATION AND TRAINING

Tennessee Department of Education
Cordell Hull Building
Nashville Tennessee 37219
741-2361

VOCATIONAL GUIDANCE

Tennessee Department of Employment Security

Check your local area for information.

VOCATIONAL REHABILITATION

Tennessee Department of Education
Division of Vocational Rehabilitation

(See "Education")

Tennessee Department of Public Welfare - Blind Services

Check your local area for information.

QUESTIONS? PROBLEMS? HERE'S HELP!

FEDERAL AGENCIES TO WRITE OR CALL

FOOD

Nancy Steorts
Special Assistant to the Secretary
for Consumer Affairs
Agriculture Department
Washington, D.C. 20250
Telephone: (202) 447-3165

AIR TRAVEL

Jack Yohe, Director
Office of the Consumer Advocate
Civil Aeronautics Board
Washington, D.C. 20428
Telephone: (202) 382-6376

BUSINESS

Sam Sherwin
Deputy Assistant Secretary for
Domestic Commerce
Commerce Department
Washington, D.C. 20230
Telephone: (202) 967-5491

CONSUMER INFORMATION

David Peterson, Director
Consumer Information Center
General Services Administration
Washington, D.C. 20407
Telephone: (202) 343-6171

PRODUCT SAFETY

Mary Kay Ryan
Special Assistant for Legal
Matters
Consumer Product Safety
Commission
5401 Westbard Avenue
Bethesda, MD 20207
Telephone: (301) 496-7377

ENERGY

Hazel Rollins, Director for Consumer Affairs & Special Impact
Federal Energy Administration
Washington, D.C. 20461
Telephone: (202) 254-7546

Emmett J. Gavin
Assistant to the Chairman
Federal Power Commission
Washington, D.C. 20426
Telephone: (202) 386-6081

FOOD, DRUGS & COSMETICS

Dr. John Harvey
Senior Educational Director
Office of Consumer Affairs
Food & Drug Administration
5600 Fishers Lane
Rockville, MD 20852
Telephone: (301) 443-3170

ADVERTISING, CREDIT, FRAUD

J. Thomas Rosch, Director
Bureau of Consumer Protection
Federal Trade Commission
Washington, D.C. 20850
Telephone: (202) 962-0151

OLDER AMERICANS

Decker Anstrom
Assistant to the Commissioner
Administration on Aging
Health, Education & Welfare Dept.
Washington, D.C. 20201

CONSUMER AFFAIRS

Virginia H. Knauer, Director
Office of Consumer Affairs
Washington, D.C. 20201
Telephone: (202) 245-6164

EDUCATION

Dr. Virginia Y. Trotter
Assistant Secretary for Education
Office of Education
Health, Education & Welfare Dept.
Washington, D. C. 20202
Telephone: (202) 245-8430

HOUSING & URBAN DEVELOPMENT

Wilbur Jones
Consumer Affairs Coordinator
Housing & Urban Devlopment Dept.
Washington, D.C. 20410
Telephone: (202) 755-7976

ENVIRONMENT, RESOURCES, PARKS

Ann Richardson
Special Assistant to Assistant Secretary for Program and Budget
Interior Dept.
Washington, D.C. 20240
Telephone: (202) 343-7785

BUS & TRAIN TRAVEL

Warner L. Baylor
Consumer Affairs Officer
Interstate Commerce Commission
Washington, D.C. 20423
Telephone: (202) 343-4141

ANTITRUST

Gregory B. Hovendon, Chief
Consumer Affairs Section
Antitrust Division
Justice Dept.
Washington, D.C. 20530
Telephone: (202) 739-4173

WORK REGULATIONS, WAGES, RETIREMENT, PENSIONS

Joanne Gordon
Special Assistant to the Secretary
Labor Dept.
Washington, D.C. 20210
Telephone: (202) 961-2027

STOCKS & BONDS

Barbara J. McTigue
Consumer Liaison Officer
Securities & Exchange Commission
Washington, D.C. 20549
Telephone: (202) 755-4845

CAR SAFETY, HIGHWAYS, PUBLIC TRANSPORTATION

Antonina P. Uccello, Director
Office of Consumer Affairs
Transportation Dept.
Washington, D.C. 20590
Telephone: (202) 426-4518

ALCOHOL, GUNS, TAXES, TRAVEL

John Auten, Director
Office of Financial Analysis
Treasury Dept.
Washington, D.C. 20220
Telephone: (202) 964-5914

MAIL

Thomas Chadwick
Consumer Advocate
U.S. Postal Service
Washington, D.C. 20260
Telephone: (202) 245-4550

FOR FURTHER INFORMATION

When you have questions about any program or agency of the federal government, you may want to call a Federal Information Center (FIC) 202/755-8660. They can give you other phones in regional areas.

FEDERAL AGENCIES - COMPLAINTS INFORMATION

Civil Aeronautics Board
1825 Connecticut Avenue, N.W.
Washington, D.C. 20428
Telephone: (202) 382-7735

Department of Agriculture
The Mall
Between 12th and 14th Streets, S.W.
Washington, D.C. 20250
Telephone: (202) RE7-4142

Department of Health, Education, Welfare
330 Independence Avenue, S.W.
Washington, D.C. 20204
Telephone: (202) 963-1110

Department of Transportation
400 7th, S.W.
Washington, D.C. 20590
Telephone: (202) 655-4000

Federal Communications Commissions
Pennsylvania Avenue at 6th, N.W.
Washington, D.C. 20554
Telephone: (202) 963-1110

Federal Trade Commission
Pennsylvania Avenue at 6th, N.W.
Washington, D.C. 20580
Telephone: (202) 963-1110

(The FTC is multi-purposed. It enforces antitrust laws against price discrimination and monopolistic business mergers. It also protects against business frauds ranging from phony advertising to deceptive sales practice. Any deceptive schemes or sales practices or false advertising should be reported to the FTC. The FTC has regional offices. Tennessee Area Office: Atlanta, Ga. 30309. This agency also furnishes "consumer product information.")

Virginia, Knauer, Director
Office of Consumer Affairs
New Executive Office Building
Washington, D.C. 20506
Telephone: (202) 395-3682

Thomas Chadwick, Consumer Advocate
U.S. Postal Service
Washington, D.C. 20260
Telephone: (202) 245-4000

U.S. Veterans Administration
810 Vermont Avenue, N.W.
Washington, D.C. 20420
Telephone: (202) EX3-4120

Consumer Product Safety Commission
Washington, D.C.
Telephone: 1-800-638-2666

(This is a new regulatory agency designed to regulate safety of products. Any product a consumer has purchased or is working upon which is suspected to be dangerous, hazardous, or to contain unsafe features in its design or manufacture should be reported to this agency.)

Food and Drug Administration
5600 Fishers Lane
Rockville, Maryland 20852
Telephone: (301) 433-3380

(The FDA is under the Department of Health, Education, and Welfare. It maintains a corps of consumer specialists in 20 cities and [illegible] inspection centers. Report defective food, drugs, cosmetics, unsanitary or harmful substances promptly to the FDA, manufacturer, packer, distributor and store. Nashville District Office: FDA, 297 Plus Park Boulevard Nashville, Tennessee 37217.
Telephone: (615) 749-5851
The FDA also maintains small offices in Knoxville (524-1211), Chattanooga (266-8215), and Memphis (534-3684)

OTHER AGENCIES WHICH HELP INVESTIGATE AND SOLVE COMPLAINTS

MACAP - Major Appliance Consumers Action Panel

This agency is sponsored by the Association of Home Appliance Manufactures (AHAM), the Gas Appliance Manufacturers Association (GAMA), and National Retail Merchants Association (NRMA). It is a complaint handling group for all appliances.

Address: 20 North Wacker Drive, Chicago, Illinois 60606

Telephone: (312) 236-3165

Ralph Nader's Aviation Consumer Action Project
P. O. Box 19029
Washington, D.C. 20036

Ralph Nader Automobile Consumer Action Project
Washington, D.C. 20036

When reporting complaints to any agency, include:

Name, address, and telephone number

Name of product, brand, model and serial number or description of label and any code marks on the container; name and address of dealer and service agent; and a clear description of the problem and/or service required.

FICAP (Furniture Industry Consumer Action Panel)
Box 951
High Point, North Caorlina 27261

CRICAP (Carpet and Rug Industry Consumer Action Panel)
Box 1568
Dalton, Georgia 30720

AUTOCAP (Automobile Consumer Action Panel)
2000 K Street, N.W.
Washington, D. C. 20006

LOCAL CONSUMER AGENCIES

(INFORMATION & COMPLAINTS)

Federal Trade Commission - Regional
Atlanta, Ga

State of Tennessee
Division of Consumer Affairs
Nashville, TN 37204
Complaints: (local) 741-1461
Toll Free: 1-800-342-8385

Department of Agriculture
741-1461
(weights, measures, food inspection, sanitation, etc.)

Department of Banking
Complaints: 741-2236

Department of Insurance
Complaints: 741-2218
Insurance: 741-2176

Tennessee State Attorney General
Supreme Court Building
Nashville, TN 37219
Telephone: 741-3011

Small Claims Court - In Tennessee, the General Sessions Court in the Civil Courts handles all small suits up to a maximum of $7,000. You may file a complaint for $12.25. You do not need a lawyer.

*Legal Services, Inc.
607 Sudekum Building 244-6317
or
Matthew Walker Health Center
1501 Herman Street 329-1321
Nashville, Tennessee

*These services were begun under O.E.O. and Community Action Program. It may still be available in your local community.

Food & Drug Administration - District Office, Nashville, TN
297 Plus Park Boulevard
Nashville, Tennessee 37217
Telephone: (615) 749-5851
The FDA also maintains small offices in Knoxville (524-1211), Chattanooga (266-8215), and Memphis (534-3684).

Better Business Bureau
Nashville and Middle Tennessee Area
Information: 254-5872
Complaints: 254-5874
Toll Free: 1-800-342-8388

Memphis and West Tennessee Area
Toll Free: 901-525-8501

Knoxville and East Tennessee Area
Toll Free: 615-522-2130

Chattanooga and East Tennessee Area
Toll Free: 615-266-6144

Consumer Credit Counseling Service
109 3rd Avenue, North
Nashville, TN
Telephone: 244-5184
(counseling service for problems with bills and credit)

Tennessee Consumer Alliance
P. O. Box 12352, Acklen Station
Nashville, TN 37212

Chambers of Commerce
Local

When reporting complaints to any agency include:
Name, address, and telephone number;

Name of product, brand, model and serial number or description of label and any code marks on the container; name and address of dealer and service agent; and a clear description of the problem and/or service required;

Date of purchases and account numbers.

QUESTIONS? PROBLEMS? HERE'S HELP!

LOCAL AGENCIES

FOOD & DRUGS - Nutrition and sanitation, harmful substances, cosmetics, inspections, weights and measures.

Tennessee State Government
Department of Agriculture
Ellington Agriculture Center
Nashville, Tennessee
Telephone: 741-1461

Local County Agriculture Extension Service
Local University or College Extension Service
U. S. Government - Agriculture Department

Federal Drug Administration, District Office
297 Plus Park Boulevard
Nashville, Tennessee 37217
Telephone: (615) 749-5851

BANKING, LOANS & CREDIT

Tennessee State Government
Department of Banking
Capitol Hill Building
Nashville, Tennessee
Telephone: 741-2236

INSURANCE

Tennessee State Government
Department of Insurance
State Office Building
Nashville, Tennessee
Information: 741-2176
Complaint: 741-2218

LEGAL SERVICES

TENNESSEE STATE GOVERNMENT

Tennessee State Attorney General
Supreme Court Building
Nashville, Tennessee 37219
Telephone: 741-3011

LEGAL AID SERVICE

(Begun under O.E.O. and Community Action Program, it may be available in local area.)

Legal Aid of Nashville
607 Sudekum Building
Nashville, Tennessee
Telephone: 244-6317

Matthew Walker Health Center
1501 Herman Street
Nashville, Tennessee
Telephone: 329-1321

Memphis and Shelby County Legal Services
325 Dermon Building
46 North 3rd Street
Memphis, Tennessee
Telephone: 526-5132

Knoxville Legal Clinic
The University of Tennessee College of Law
1505 West Cumberland Avenue
Knoxville, Tennessee
Telephone: 974-2331

Chattanooga Legal Aid Society
Suite 3-G Professional Building
Chattanooga, Tennessee
Telephone: 266-8188

LAWYER REFERENCE SERVICE

For a small fee, this service will recommend a lawyer for you.

LOCAL UNIVERSITY OR COLLEGE

May have a Legal Services Clinic.

TENNESSEE

has no small claims courts, but the General Sessions Court is designed so that a consumer can file a complaint for $12.25.

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